

High-Income Tax Returns for 1993

by John Latzy

The Tax Reform Act of 1976 required annual publication of data on individual income tax returns reporting income of \$200,000 or more, including the number of such returns reporting no income tax liability and the importance of various tax provisions in making these returns nontaxable [1]. This article presents detailed data for the nearly 1 million high-income returns for 1993, as well as summary data for the period 1977 to 1993. Detailed data for the years 1974 through 1992 have been published previously [2].

Two income concepts are used in this article to classify tax returns as high-income: the statutory concept of adjusted gross income (AGI), and the expanded income concept [3]. Expanded income uses items reported on tax returns to obtain a more comprehensive measure of income than AGI. Specifically, expanded income is AGI *plus* tax-exempt interest, nontaxable social security benefits, the foreign-earned income exclusion, and items of "tax preference" for "alternative minimum tax" purposes; *less* unreimbursed employee business expenses, moving expenses, investment interest to the extent it does not exceed investment income, and miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor [4, A4]. Note that although expanded income is a more comprehensive measure of income than AGI, for some taxpayers the subtractions from AGI to arrive at expanded income exceed the additions, with the result that expanded income is less than AGI.

Number of High-Income Returns

For 1993, there were 993,326 individual income tax returns reporting AGI of \$200,000 or more, and 1,043,213 with expanded income of \$200,000 or more. These returns represented, respectively, 0.867 and 0.910 percent of all returns for 1993 (the top panel of Figure A).

Since 1977, the number of returns reporting income of \$200,000 or more has increased at a much more rapid rate than the total number of returns filed. This pattern is true under both income concepts. Between 1992 and 1993, while the total number of tax returns increased by slightly less than one percent, the number of high AGI returns increased by 4.0 percent, and the number of high expanded income returns rose by 5.4 percent. As a result, each year these returns with income of \$200,000 or more have comprised a larger share of all returns than for the preceding year (Figure A). The difference in the number of high-income returns between the two income concepts significantly decreased beginning with 1987, when AGI

began to include 100 percent of long-term capital gains. This change in the definition of AGI makes the income concepts of AGI and expanded income more comparable. In addition, as a result of the inclusion of tax-exempt interest in expanded income starting with 1987, expanded income for years after 1986 is not strictly comparable to expanded income for years before 1987.

In the top panel of Figure A, the \$200,000 threshold for high-income returns is measured in current-year (nominal) dollars. As a result of inflation, the real (constant) dollar level of the threshold has fallen over time, and some returns are classified as high-income that would not have been classified as high-income for earlier years. To maintain the comparability of the real threshold over time, the nominal \$200,000 threshold has been adjusted for inflation to 1976 constant dollars for all years, and the number of high-income tax returns has been recomputed [5].

The results using the 1976 constant dollar threshold are shown in the lower panel of Figure A. When measured in 1976 constant dollars, under the expanded income concept, the total number of high-income returns was only 3.6 times the number for 1977. However, the number of high-income returns for 1993 measured in current-year dollars was 15.4 times as large as for 1977. Since 1977, the percentage of returns with expanded income of \$200,000 or more in current dollars has increased every year. However, the share of high expanded income returns in 1976 constant dollars has fallen in four of the past five years from a high of 0.220 percent in 1988 to 0.186 percent in 1993. The difference between the constant and current dollar shares of high income returns is shown in Figure B.

Based on AGI, the number of high-income returns for 1993 measured in current-year dollars was 18.6 times as large as for 1977. Measured in 1976 constant dollars, the number of returns for 1993 was only 4.4 times the number for 1977. Between 1988 and 1993, the share of such returns has fallen from 0.214 percent to 0.176 percent of all returns.

Nontaxable High-Income Returns

Two tax concepts are used in this article to classify tax returns as taxable or nontaxable. The first concept, "U.S. income tax," is total Federal income tax liability (including the "alternative minimum tax"), less all credits against income tax. Since the U.S. income tax applies to worldwide income and since a credit (subject to certain limits) is allowed against U.S. income tax for income taxes paid to foreign governments, a return could be classified as nontaxable under this first concept even though income taxes had been paid to a foreign government. The second tax concept, "Worldwide income tax," addresses this circumstance by adding back to U.S. income tax the allowed

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Figure A

All Returns and Returns with Income of \$200,000 or More Measured in Current Dollars, and in 1976 Constant Dollars by Income Concept, Tax Years 1977-1993

Tax year	All returns	\$200,000 income threshold measured in current dollars			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)
1977.....	88,634,640	53,403	67,580	0.060	0.076
1978.....	89,771,551	68,506	85,137	0.076	0.095
1979.....	92,694,302	93,731	122,231	0.101	0.132
1980.....	93,902,459	117,250	149,826	0.125	0.160
1981.....	96,396,123	138,136	175,092	0.143	0.182
1982.....	95,337,432	169,367	207,291	0.178	0.217
1983.....	96,321,310	198,608	249,319	0.206	0.259
1984.....	99,438,708	243,760	310,042	0.245	0.312
1985.....	101,660,287	296,507	370,340	0.292	0.364
1986.....	103,045,170	374,363	529,460	0.363	0.514
1987.....	106,996,270	539,967	557,848	0.505	0.521
1988.....	109,708,280	725,345	737,659	0.661	0.672
1989.....	112,135,673	786,063	814,152	0.701	0.726
1990.....	113,717,138	834,957	860,940	0.734	0.757
1991.....	114,730,123	846,707	892,178	0.738	0.778
1992.....	113,604,503	954,747	989,522	0.840	0.871
1993.....	114,601,819	993,326	1,043,213	0.867	0.910

Tax year	All returns	\$200,000 income threshold measured in 1976 constant dollars				
		Number of returns by income concept		Percentage of all returns by income concept		Current dollar income threshold equal to \$200,000 in 1976 constant dollars (whole dollars)
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	
	(6)	(7)	(8)	(9)	(10)	(11)
1977.....	88,634,640	45,931	58,991	0.052	0.067	213,005
1978.....	89,771,551	49,388	62,556	0.055	0.070	229,174
1979.....	92,694,302	55,542	76,479	0.060	0.083	255,184
1980.....	93,902,459	52,512	71,704	0.056	0.076	289,631
1981.....	96,396,123	50,880	71,146	0.053	0.074	319,508
1982.....	95,337,432	59,411	81,297	0.062	0.085	339,192
1983.....	96,321,310	67,310	93,977	0.070	0.098	350,088
1984.....	99,438,708	80,800	116,389	0.081	0.117	365,202
1985.....	101,660,287	95,740	134,715	0.094	0.133	378,207
1986.....	103,045,170	119,550	191,596	0.116	0.186	385,237
1987.....	106,996,270	161,408	169,942	0.151	0.159	399,297
1988.....	109,708,280	235,051	241,201	0.214	0.220	415,817
1989.....	112,135,673	217,685	228,530	0.194	0.204	435,852
1990.....	113,717,138	216,716	228,659	0.191	0.020	459,400
1991.....	114,730,123	183,442	195,743	0.160	0.171	478,735
1992.....	113,604,503	213,783	227,354	0.188	0.200	493,146
1993.....	114,601,819	201,236	212,853	0.176	0.186	507,909

foreign tax credit and foreign taxes paid on excluded foreign-earned income [6, 7].

For 1993, of the 993,326 income tax returns with AGI of \$200,000 or more, 1,022 or 0.103 percent, showed no U.S. income tax liability; and 932, or 0.094 percent, showed no worldwide income tax liability (the top panel of Figure C) [8]. For 1992, there were 909 returns (0.095 percent) with AGI of \$200,000 or more with no U.S. income tax liability; and 823 returns (0.086 percent) with

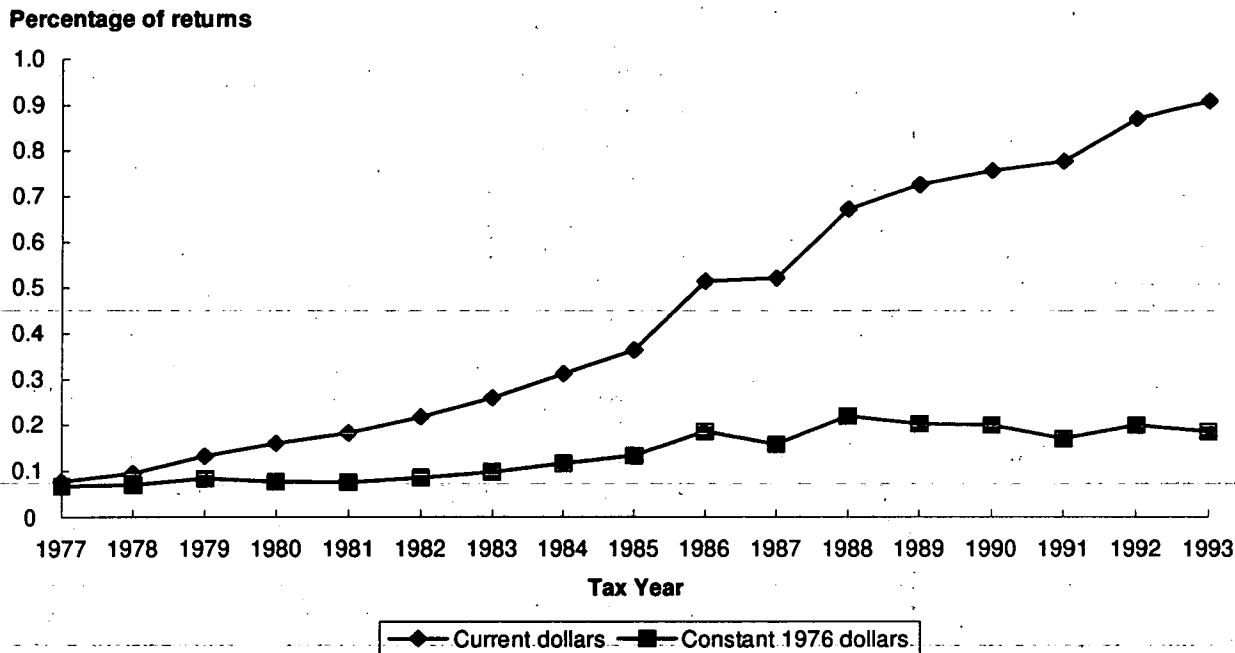
no worldwide income tax liability. Thus, the number of returns with AGI of \$200,000 or more and no U.S. income tax liability increased by 12 percent, and the number of high AGI returns without any worldwide tax liability increased by 13 percent.

Of the 1,043,213 tax returns with expanded income of \$200,000 or more, 2,392, or 0.229 percent, had no U.S. income tax liability; and 1,950, or 0.187 percent, had no worldwide income tax liability. Of the 989,522 returns

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Figure B

Percentage of All Returns With Expanded Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, Tax Years 1977-1993



with expanded income of \$200,000 or more for 1992, there were 1,896 (0.192 percent) with no U.S. income tax liability; and 1,799 (0.182 percent) with no worldwide income tax liability. Thus, the percentage of nontaxable returns increased between 1992 and 1993. In addition, for 1993, the difference between the number of returns with expanded income of \$200,000 or more and no U.S. income tax compared to the number with no worldwide income tax is more than four times larger than in 1992.

Although the number of nontaxable returns has increased in all but three years since 1977, most of that increase has been attributable to the growth in the overall number of all returns -- taxable and nontaxable -- with income of \$200,000 or more. As mentioned previously, because of the inclusion of tax-exempt interest in expanded income starting with 1987, the concept of expanded income is no longer strictly comparable to expanded income calculated for years before 1987.

The number of nontaxable returns, as measured by using the 1976 constant dollar threshold was significantly less than the number of such returns in current dollars. The percentages of constant and current dollar high income returns which were nontaxable are not substan-

tially different when measured by AGI, but the percentage of constant dollar nontaxable returns is substantially lower when measured by expanded income. Of returns with AGI of \$200,000 or more in current dollars, 0.103 percent reported no U.S. income tax for 1993, and 0.094 percent had no worldwide income tax. For returns in 1976 constant dollars, the percentage without U.S. income tax liability was 0.089; the percentage without worldwide income tax liability was 0.080 (see the lower panel of Figure C).

Of the returns with expanded income of \$200,000 or more in current dollars, 0.229 percent reported no U.S. income tax, and 0.187 percent reported no worldwide income tax. When looking at these same returns using 1976 constant dollars, the percentage without U.S. tax liability was 0.152; the percentage without worldwide income tax liability was 0.141.

Note that the number of nontaxable returns with expanded income of \$200,000 or more is based on samples. For example, after 1986, the percentage of high-income returns whose nontaxability was attributed to foreign tax credits, declined substantially. This overall reduction in the impact of the foreign tax credit appeared to be due to

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Figure C

Nontaxable Returns With Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Tax and Income Concept

Tax year	\$200,000 income threshold measured in current dollars							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1977.....	60	85	37	64	0.112	0.126	0.069	0.095
1978.....	98	105	60	67	0.143	0.123	0.088	0.079
1979.....	70	114	28	64	0.075	0.093	0.030	0.052
1980.....	143	198	56	114	0.122	0.132	0.048	0.076
1981.....	226	304	79	114	0.164	0.174	0.057	0.065
1982.....	262	299	109	153	0.155	0.144	0.064	0.074
1983.....	447	579	321	437	0.225	0.232	0.162	0.175
1984.....	532	325	471	271	0.218	0.105	0.193	0.087
1985.....	612	613	442	454	0.206	0.166	0.149	0.123
1986.....	659	595	437	379	0.176	0.112	0.117	0.072
1987.....	857	472	740	364	0.159	0.085	0.137	0.065
1988.....	822	397	731	309	0.113	0.054	0.101	0.042
1989.....	1,081	779	987	691	0.138	0.096	0.126	0.085
1990.....	1,219	1,183	1,114	1,087	0.146	0.137	0.133	0.126
1991.....	1,253	1,933	1,131	1,740	0.148	0.217	0.134	0.195
1992.....	909	1,896	823	1,799	0.095	0.192	0.086	0.182
1993.....	1,022	2,392	932	1,950	0.102	0.229	0.094	0.187

Tax year	\$200,000 income threshold measured in 1976 constant dollars							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1977.....	54	75	32	56	0.118	0.127	0.070	0.095
1978.....	62	70	31	39	0.126	0.112	0.063	0.062
1979.....	38	71	15	39	0.068	0.093	0.027	0.051
1980.....	56	71	22	39	0.107	0.099	0.042	0.054
1981.....	53	87	21	55	0.104	0.122	0.041	0.077
1982.....	58	68	27	36	0.098	0.084	0.045	0.044
1983.....	138	135	113	108	0.205	0.144	0.168	0.115
1984.....	170	78	160	66	0.210	0.067	0.198	0.057
1985.....	190	155	137	99	0.198	0.115	0.143	0.073
1986.....	201	189	138	120	0.168	0.099	0.115	0.063
1987.....	312	126	271	85	0.193	0.074	0.168	0.050
1988.....	277	141	251	116	0.118	0.058	0.107	0.048
1989.....	293	128	269	106	0.135	0.056	0.124	0.046
1990.....	339	169	307	137	0.156	0.074	0.142	0.060
1991.....	301	305	273	277	0.164	0.156	0.149	0.142
1992.....	171	288	148	264	0.080	0.127	0.069	0.116
1993.....	180	323	160	300	0.089	0.152	0.080	0.141

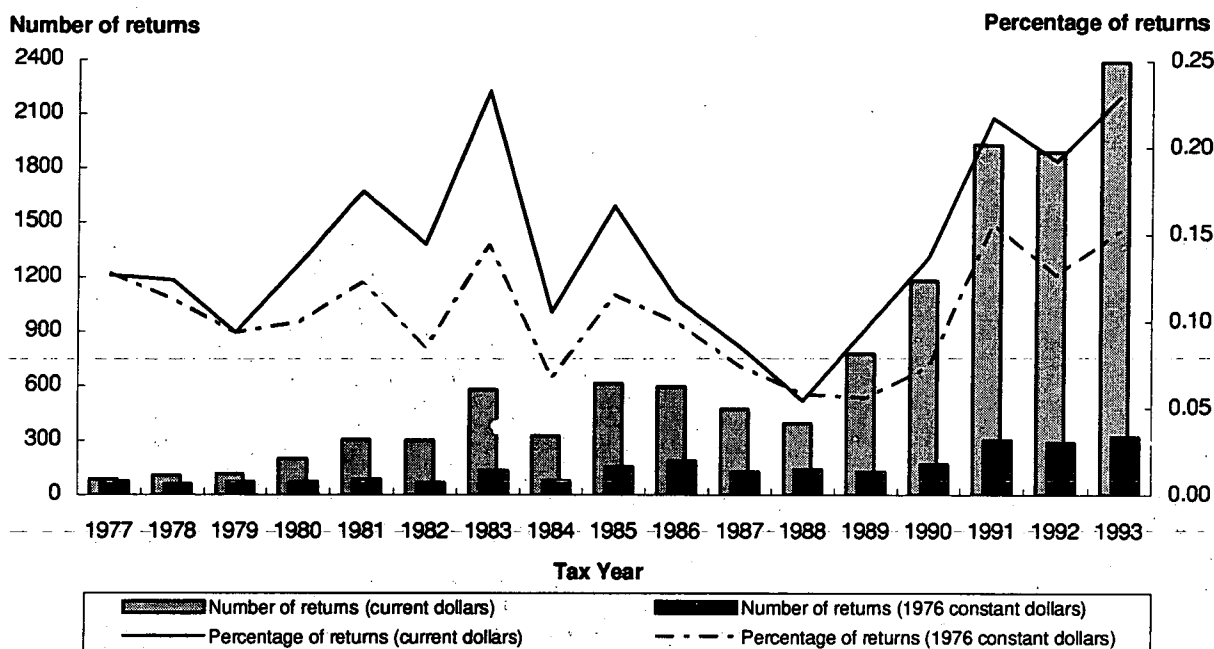
changes in the provisions of the alternative minimum tax (AMT) [9]. For the adjusted gross income concept, this trend continued in 1993. However, when using the expanded income concept, the significance of the foreign tax credit increased four-fold between 1992 and 1993. Thus, year-to-year differences in the numbers and percentages of nontaxable returns with expanded income of \$200,000 or more may represent sampling variability in addition to actual changes in the numbers of such returns [10].

Figures D and E show the number of nontaxable, high-income returns in both current-year and 1976 constant dollars, and their proportion of all high-income returns, between 1977 and 1993. Figure D is for returns with expanded income of \$200,000 or more and no U.S. income tax liability measured in both current-year and 1976 constant dollars. Figure E is for returns with expanded income of \$200,000 or more and no worldwide income tax liability. In both figures, the spread between the two

High-Income Tax Returns for 1993

Figure D

Number and Percentage of Returns with No U.S. Income Tax and with Expanded Income of \$200,000 or More, Tax Years 1977-1993



percentage lines is small for the late 1970's, shows an increase for the early 1980's, then narrows before widening again for 1989 through 1993.

Detailed Data for 1993

Tables 1 through 12 present data based on 1993 income tax returns, mainly those with income of \$200,000 or more (measured in current-year dollars) of AGI or expanded income. Most of the data are shown for taxable and nontaxable returns, both separately and combined. In summary, the tables show:

- The numbers of returns under the two tax concepts, cross-classified by broad AGI and expanded income size classes (Tables 1 and 2);
- The distributions of taxable income as a percentage of AGI and expanded income (Tables 3 and 4);
- The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax credits, as well as the relationship between the two income concepts (Tables 5 and 6);
- The frequencies with which various deductions and tax credits are the most important and the second

most important items in reducing (or eliminating) income tax (Tables 7 and 8);

- The frequencies with which various itemized deductions, tax credits, and tax preference items occur as certain percentages of income (Tables 9 and 10); and
- The distributions of effective tax rates, i.e., income tax under each definition as a percentage of income, by broad income size classes (Tables 11 and 12).

Tables 1, 3, 5, 7, 9, and 11 use the U.S. income tax concept to classify returns as taxable or nontaxable, whereas Tables 2, 4, 6, 8, 10, and 12 use the worldwide income tax concept.

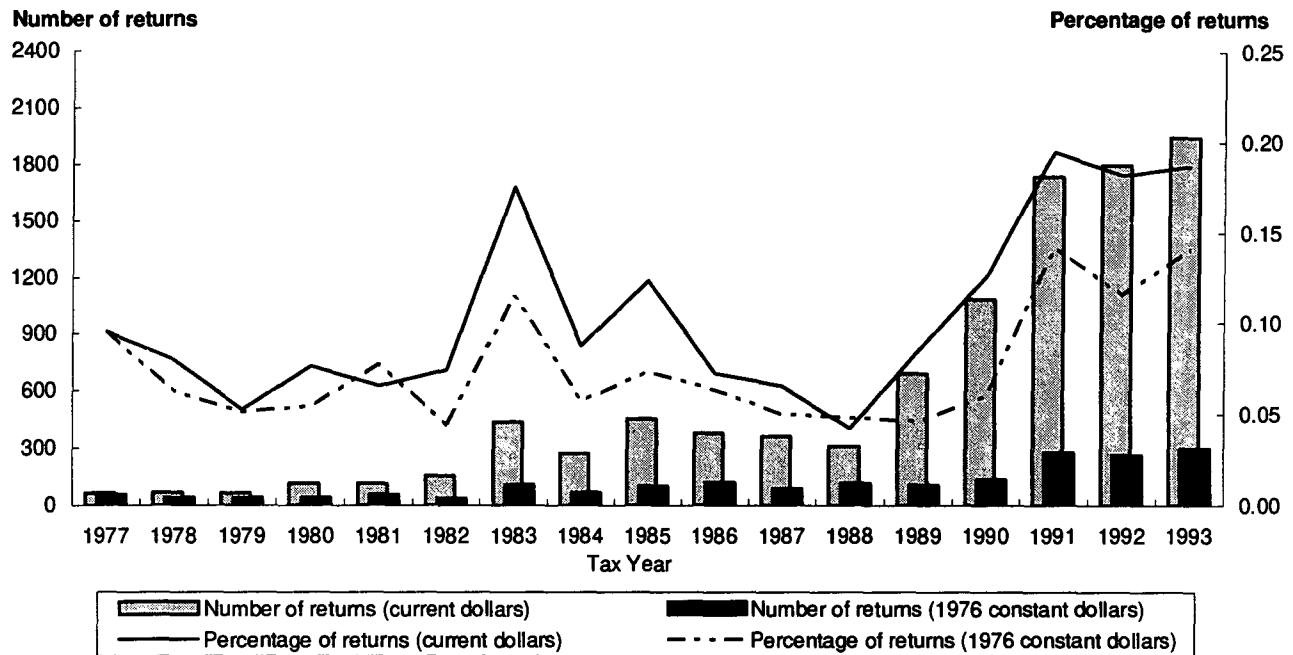
Size of Income

Tables 1 and 2 show the number of all returns, taxable returns, and nontaxable returns, cross-classified by broad AGI and expanded income size classes. The tables show that most returns fall in the same broad income size class under both income concepts, but that expanded income tends to be a broader measure of income and therefore classifies more total and taxable returns in each of the \$50,000-and-over income size classes. Table 1 shows that

High-Income Tax Returns for 1993

Figure E

Number and Percentage of Returns with No Worldwide Income Tax and with Expanded Income of \$200,000 or More, Tax Years 1977-1993



1,022 returns with no U.S. income tax had an AGI of \$200,000 or more, and 2,392 returns with no U.S. income tax had an expanded income of \$200,000 or more.

Distribution of Tax Levels

Tables 3 and 4 show the distributions of high-income returns by the ratios of "adjusted" taxable income (adjusted to reflect tax credits and special tax computations) to AGI or expanded income. Taxable income has been adjusted for these tables by subtracting from taxable income the deduction equivalents of tax credits and other items [11]. The tables illustrate three important facts about high-income tax returns. (The examples in the paragraphs below are drawn from the "expanded income" columns in Table 4.)

- As already described, only a small proportion of high-income taxpayers were able to escape all income taxes (0.187 percent, which is rounded to 0.2 percent in Table 4).
- Another group of high-income taxpayers--small, but larger than the nontaxable group--was able to offset a very substantial fraction of its income before being subject to tax. This type of high-income taxpayer

pays income tax equal to only a small share of his or her income. Such taxpayers may be called "nearly nontaxables." (About 1.3 percent of high expanded-income taxpayers reported some tax liability but were able to reduce their taxable income to less than 25 percent of their expanded income.)

- Overall, a large portion of high-income taxpayers were subject to tax on a large share of their income and reported very substantial amounts of tax. (Almost 66 percent had adjusted taxable income equal to 80 percent or more of expanded income. Over 95 percent had taxable income of 50 percent or more of expanded income.)

Tables 11 and 12 show the distributions of tax returns in another way: by tax burden. These two tables classify all tax returns by both the size of income and the effective tax rate, i.e., income tax as a percentage of income. These tables show that, on average, high-income taxpayers do have higher effective tax rates. The tables also illustrate the wide dispersion of effective tax rates for high-income returns. For example, Table 12 shows that while 2.6 percent of returns with expanded income of \$200,000 or more had either no worldwide income tax or worldwide

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income tax of less than 10 percent of expanded income, almost 57 percent had effective tax rates exceeding 25 percent. Over 83 percent of high-income taxpayers had average tax rates ranging from 20 percent to 35 percent, while 37 percent had effective tax rates between 25 and 30 percent.

Characteristics of Tax Returns

Tables 5 and 6 show, in the aggregate, the frequencies and amounts of the types of income, the items of tax preference, and the various deductions, credits, and income taxes shown on high-income returns. By comparing the columns for nontaxable returns with those for taxable returns, some of the different characteristics of nontaxable returns can be deduced. For example, nontaxable returns, under both income concepts, are much more likely to have sizable partnership and S Corporation losses than are taxable returns, but they are much less likely to have any income from wages and salaries [12].

Reasons for Nontaxability

It is possible for certain itemized deductions and certain exclusions from income to cause nontaxability by themselves, but high-income returns are more often nontaxable as a result of a combination of reasons, no one of which, by itself, would result in nontaxability. Moreover, some items which singly or in combination may eliminate "regular tax" liability, i.e., income tax excluding AMT, cannot eliminate an AMT liability since these items give rise to offsetting adjustments or preferences for AMT purposes.

Because they do not generate AMT adjustments or preferences, tax-exempt bond interest, itemized deductions for interest expense, miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor, moving expenses, casualty or theft losses, and medical expenses (exceeding 10 percent of AGI) can, by themselves, produce nontaxability [13].

Due to the AMT exclusion of \$40,000 on joint returns (\$30,000 on single and head-of-household returns and \$20,000 on returns of married taxpayers filing separately), a return can be nontaxable even though it includes some items which produce AMT adjustments or preferences [14]. Further, since the starting point for "alternative minimum taxable income" is taxable income for regular tax purposes, a taxpayer can have adjustments and preferences exceeding the AMT exclusion without incurring AMT liability. This situation occurs if taxable income for regular tax purposes is sufficiently negative, as a result of itemized deductions and personal exemptions exceeding AGI, that the taxpayer's AMT adjustments and prefer-

ences are less than the sum of the AMT exclusion and the amount by which regular taxable income is below zero. Note that because of the AMT, taxpayers may find it beneficial to report additional deduction items on their tax returns, even if the items do not produce a benefit for regular tax purposes.

Tables 7 and 8 classify tax returns by the items that had the largest and second largest effects in reducing or eliminating income tax. For returns on which each of the largest effects have been identified, the tables show each of the second largest effects. For example, on taxable returns with some worldwide tax and expanded income of \$200,000 or more, the most important item in reducing the tax reported on 49 percent of the returns was the itemized deduction for taxes (state and local) paid; for these returns, the itemized deduction for charitable contributions was the second most important reason 51 percent of the time, and the deduction for interest paid was the second most important reason 39 percent of the time (Table 8). On nontaxable high expanded-income returns (with no worldwide income tax), the itemized deduction for medical and dental expenses was the most important item 29 percent of the time. Where this was the primary item, the taxes paid deduction was the second most important item 39 percent of the time, and the deduction for charitable contributions were the second most important item 29 percent of the time. The four categories which most frequently had the largest effect in reducing taxes for nontaxable, high expanded-income returns were: the itemized deduction for medical and dental expenses (538 returns, or 28.9 percent of the 1,864 tabulated returns with expanded income of \$200,000 or more and with no worldwide tax liability); net losses from partnerships or S Corporations (366 returns, or 19.6 percent); the taxes paid deduction (303 returns, or 16.3 percent); and the deduction for net casualty or theft loss (222 returns, or 11.9 percent). Note that the net losses from partnerships and S Corporations reduce AGI; the other three items reduce "taxable income." The two items which most frequently had the second largest effect in reducing regular tax liability were the deduction for taxes paid and the deduction for charitable contributions.

Tables 9 and 10 represent another way of illustrating the importance of various tax provisions in reducing or eliminating income tax. Unlike Tables 7 and 8, these tables cover only nontaxable returns, i.e., returns showing no income tax liability, including AMT. Tables 9 and 10 show the number of times that various items reduced income by different fractions of income. The items shown are the various categories of itemized deductions, the deduction equivalents of two different types of tax

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credits, and total tax preferences excluded from income. For example, for high expanded-income returns with no worldwide income tax (Table 10), the itemized deduction for casualty or theft losses exceeded 100 percent of expanded income on 116 of the 1,950 returns, but there was no casualty or theft loss deduction on 1,714 returns. The medical expense deduction exceeded total expanded income on 24 returns and amounted to between 50 percent and 100 percent of expanded income on an additional 171 returns.

Notes and References

- [1] The statutory requirement is contained in section 2123 of the Tax Reform Act of 1976 (90 Stat. at 1915).
- [2] Lerman, Allen H., "High-Income Tax Returns: 1974 and 1975, A Report on High-Income Taxpayers Emphasizing Tax Returns with Little or No Tax Liability," U.S. Department of Treasury, Office of Tax Analysis, March 1977, and "High-Income Tax Returns: 1975 and 1976, A Report Emphasizing Nontaxable and Nearly Nontaxable Income Tax Returns," U.S. Department of Treasury, Office of Tax Analysis, August 1978.

U.S. Department of Treasury, Internal Revenue Service, *Statistics of Income--Individual Income Tax Returns* for 1977 through 1982 and 1985 through 1988. (For 1977 and 1978, only the number of nontaxable, high-AGI returns were published.)

Lerman, Allen H., "High-Income Tax Returns, 1983," *Statistics of Income Bulletin*, Spring 1986, Volume 5, Number 4, pp. 31-61, and "High-Income Tax Returns, 1984," *Statistics of Income Bulletin*, Spring 1987, Volume 6, Number 4, pp. 1-29; "High-Income Tax Returns for 1989," *Statistics of Income Bulletin*, Spring 1993, Volume 12, Number 4, pp. 23-50; "High-Income Tax Returns for 1990," *Statistics of Income Bulletin*, Winter 1993-1994, Volume 13, Number 3, pp. 104-132; "High-Income Tax Returns for 1991," *Statistics of Income Bulletin*, Winter 1994-1995, Volume 14, Number 3, pp. 96-130; "High-Income Tax Returns for 1992," *Statistics of Income Bulletin*, Winter 1995-1996, Volume 15, Number 3, pp. 46-82.
- [3] The 1976 Act specified four income concepts for classifying tax returns: adjusted gross income (AGI), expanded income, AGI plus excluded tax preference items, and AGI less investment interest

not in excess of investment income. Section 441 of the Deficit Reduction Act of 1984 (90 Stat. at 815) eliminated the requirement to use the last two income concepts.

- [4] The definition of adjustments to AGI to obtain the expanded income given in the text is for 1993. See Appendix A for a discussion of AGI and expanded income, and a list of adjustments covering all years since 1977.
- [5] The price deflator used was the consumer price index (CPI) for all items as reported in Table B-59, page 341 of the 1995 *Economic Report of the President*.
- [6] See Appendix B for a discussion of the tax concepts. In data published for years prior to 1989, either in articles presented in the *Statistics of Income Bulletin* or in chapters in *Statistics of Income - Individual Income Tax Returns* (see footnote 2), the "U.S. Income Tax" concept was described as "total income tax," and the "Worldwide Income Tax" concept was described as "modified total income tax."
- [7] The inclusion of foreign taxes paid on excluded foreign-earned income, beginning with Tax Year 1990, represents an improvement in the worldwide income tax concept. It does, however, represent a slight break in the year-to-year comparability of data for worldwide income tax. (The number of returns with foreign taxes paid on excluded foreign-earned income is extremely small compared to the number of returns with the foreign tax credit).
- [8] Includes returns on which income tax was entirely offset by the earned income credit.
- [9] See the Tax Reform Act of 1986, page 714, *Section 723 - Foreign Tax Credit*, for an explanation of the changes that affect the alternative minimum tax.
- [10] Beginning with Tax Year 1991, nontaxable returns with expanded income of \$200,000 or more are sampled at higher rates for *Statistics of Income*, which reduces the sampling variability of these returns and thus provides improved estimates.
- [11] See Appendix B for a description of how the deduction equivalent of credits was computed.
- [12] S Corporations are certain small corporations having no more than 35 shareholders. These companies elect to have their income taxed at the shareholder level, whether or not it is actually distributed to the shareholder.

- [13] The deduction for charitable contributions could also fall into this class if it were not limited to 50 percent of AGI.
- [14] The AMT exclusion phases out above a certain level of "alternative minimum taxable income," but since taxpayers will have some AMT liability in the phaseout range, the phaseout income is not relevant for nontaxable returns.

Appendix A: Income Concepts

Congress wanted data on high-income taxpayers classified by an income concept that was more comprehensive than adjusted gross income (AGI), but that was based entirely on items already reported on income tax returns. In order to derive such an income concept, it is necessary to begin with a broad, inclusive concept of income. AGI must then be compared to this broad income concept, and the differences (both additions and subtractions) that can be determined from items reported on tax returns identified.

This Appendix begins by defining "Haig-Simons income," a very broad concept of income used by economists and others as a standard. AGI is then compared to Haig-Simons income, and the major differences between the two income concepts listed. The final section defines "expanded income," the more comprehensive income measure than AGI, based entirely on tax return data.

Haig-Simons Income

The broadest measure of annual income generally used by economists and others is defined as the value of a household's consumption plus the change, if any, in its net worth. This income concept is referred to as Haig-Simons income, or H-S income, after the two economists who wrote extensively about it [A1]. The H-S income of a household that consumed \$25,000 and saved \$2,000 in a year would be \$27,000. Alternatively, the H-S income of a household that consumed \$25,000 and had no additions to savings, but had assets that declined in value by \$1,000 in a year, would be \$24,000.

H-S income consists of three broad components: labor income, capital income (income from assets), and income from transfer payments. The major elements of each of these three components are as follows:

- **Labor income.** -- This includes all forms of employee compensation (including wages and salaries), employee fringe benefits (such as employer-provided health insurance and accrued pension benefits or contributions), and the employer share of payroll taxes (such as social security taxes). Labor income also includes the labor share of self-employ-

ment income. Expenses of earning labor income would be deducted in arriving at H-S income. Deferred labor income (such as pension benefits) would be counted in the year it was earned, rather than in the year it was received.

- **Capital income.** -- This includes all income from assets, including interest, dividends, rents, royalties, accrued capital gains (whether or not realized), the capital income share of self-employment income, and the rental value of consumer durables (most importantly, the rental value of owner-occupied housing). Capital income is measured in real (inflation-adjusted) terms, and is net of real, economic depreciation and all other expenses (which could exceed capital income).
- **Transfer payments.** -- These include payments in cash (such as social security benefits; workers' compensation; unemployment benefits; aid for dependent children, or AFDC); and noncash benefits (such as Medicare, Medicaid; and food stamps).

For purposes of tax analysis, H-S income should be measured on a pre-tax basis; the amount that would be earned if there were no Federal income tax in place. Most items of income are unaffected, or little affected, by the income tax, and so are reported on a pre-tax basis. However, certain income items from tax-preferred sources may be reduced because of their preferential treatment. An example is interest from tax-exempt State and local Government bonds. The interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds of the same maturity and risk, with the difference approximately equal to the tax rate of the typical investor in tax-exempt bonds. Thus, investors in tax-exempt bonds are effectively paying a tax, referred to as an "implicit tax," and tax-exempt interest as reported is measured on an after-tax, rather than a pre-tax, basis. Income from all tax-preferred sources should be "grossed up" by implicit taxes to properly measure H-S income.

Adjusted Gross Income

AGI is the statutory definition of income for Federal income tax purposes. AGI differs from H-S income by excluding some components of H-S income and by allowing accelerated business deductions and deductions unrelated to income, but also by disallowing or limiting certain expenses of earning income and certain losses. In addition, AGI is not "grossed up" for implicit taxes.

The components of H-S income excluded from AGI

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include most employee fringe benefits, the employer share of payroll taxes, accrued but deferred employee compensation, accrued but unrealized real capital gains, the rental value of consumer durables, most social security benefits, and most other cash transfers, all noncash transfers, and the real income of borrowers due to inflation [A2].

Depreciation and certain other expenses allowed in determining AGI may be accelerated (relative to economic depreciation and other costs) in the early years of an investment, thus understating investment income. In later years, however, investment income in AGI will be overstated because depreciation and other accelerated expenses will then be understated. AGI also excludes contributions to Individual Retirement Arrangements (IRA's) and self-employed retirement (Keogh) plans, which are not expenses related to earning income.

AGI generally *exceeds* H-S income to the extent expenses of earning income and losses are limited or disallowed. Most of the expenses of earning income are deductible *from* AGI in calculating taxable income, but only if the taxpayer "itemizes" deductions and then in some cases only to the extent that the sum of all such items exceeds 2 percent of AGI. Expenses incurred in the production of income that are itemized deductions include certain expenses of employees (such as union dues; expenditures for items used on-the-job but not reimbursed by the employer; and the employees' travel, meal, and entertainment expenses); job-related moving expenses; and expenses attributable to a taxpayer's (passive) investments (as opposed to active participation in a trade or business, for example), including, but not limited to, interest expense incurred in connection with investments in securities. Note that there are limits on certain types of deductible expenses. In particular, deductible meals and entertainment expenses are limited to 80 percent of total meal and entertainment expenses. Job-related moving expenses, such as for temporary quarters, and expenses of selling the former residence are also limited.

Although net capital losses reduce economic income, only the first \$3,000 of net realized capital losses may be deducted in computing AGI. Any additional realized losses must be carried forward to future years. In a somewhat similar manner, "passive" losses (from investments in a trade or business in which the taxpayer does not materially participate) can also reduce economic income, but in computing AGI they can only be deducted from "passive" income from other, similar investments (although a larger amount may be deducted when the losses are from rental real estate activities).

AGI can also exceed H-S income because of differences in the timing of income between the two concepts. For

example, a taxpayer may realize more capital gains in a year than he or she accrues in capital gains. Since AGI includes only realizations of capital gains whereas H-S income includes only accruals, AGI in this circumstance would exceed H-S income.

Finally, just as AGI understates the income of borrowers due to inflation, it overstates the income of lenders, which include bond owners and owners of bank deposits.

Expanded Income

Expanded income is meant to be a measure of income that is conceptually closer to H-S income than AGI, but which is derived entirely from items already reported on income tax returns. Figure F shows the adjustments made to AGI to arrive at expanded income. Since the definition of AGI has been changed by legislation several times since 1977, and certain reporting requirements have also changed, the adjustments have differed over the years, as indicated for each item [A3]. Most of these adjustments are relatively straightforward, but the adjustment for investment requires some explanation.

Figure F

Derivation of Expanded Income from Adjusted Gross Income, Tax Years 1977 - 1993

Adjusted gross income (AGI)

- PLUS: o Excluded capital gains (tax years prior to 1987)
 o Tax-exempt interest (1987 and later tax years)
 o Nontaxable social security benefits (1987 and later tax years)
 o Tax preferences for alternative minimum tax purposes [A4]
 o Foreign-earned income exclusion (Tax Year 1990 and later tax years)
- MINUS: o Unreimbursed employee business expenses [A5]
 o Nondeductible rental losses (Tax Year 1987)
 o Moving expense deduction (1987 and later tax years) [A6]
 o Investment interest expense to the extent it does not exceed investment income
 o Miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor (1989 and later tax years)

EQUALS: o Expanded income

NOTE: Footnotes to Figure F are included with the footnotes to Appendix A.

Investment Interest

In measuring H-S income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments, without limit. Investment expenses in excess

of investment income would then represent net economic losses. However, such a liberal deduction for investment-related expenses is not necessarily correct when not all income items have been included currently. (Investment income includes interest, dividends, and capital gains.)

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in *understating* income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan, but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until such time as the income were recognized for tax purposes.

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to taxable income-producing assets and, therefore, ought to be deductible against the gross receipts from such taxable assets. As a result of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses which are deductible in calculating expanded income.

Investment expenses that have not been deducted in determining AGI generally can appear on a Federal individual income tax return in two places. Investment interest is taken into account in the calculation of the itemized deduction for interest paid. Deductible investment interest is a separate part of the total interest deduction. Other investment expenses, such as management fees, are included in the miscellaneous category of itemized deductions [A7]. Beginning with 1987, most of the types of income-producing expenses included as miscellaneous itemized deductions are only deductible to the extent that their total exceeds 2 percent of AGI. To determine expenses that should be deductible in calculating an approximation of H-S income, investment expenses have been defined as deductible investment interest. Other investment expenses could not be separated from the remainder of miscellaneous deductions. Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do *not* exceed

investment income, they are generally allowed as a deduction in the computation of deductible investment interest and thus expanded income. Investment interest expenses which do *exceed* investment income are *not* deductible in calculating expanded income. One consequence of this definition is that investment expenses can never turn positive investment income into investment losses. Generally, allowing investment expenses to offset all investment income is generous and tends to understate broadly-measured income. However, in some instances, limiting investment expenses to investment income may *overstate* income by disallowing genuine investment losses.

Notes to Appendix A

[A1] Haig, Robert M. (ed.), *The Federal Income Tax*, Columbia University Press, 1921, and Simons, Henry C., *Personal Income Taxation*, University of Chicago Press, 1938.

[A2] Borrowers receive income due to inflation because the real value of debt is reduced by inflation. Even though inflation may be anticipated and reflected in interest rates, tax deductions for nominal interest payments overstate interest costs because part of these payments represents a return of principal to the lender, rather than interest.

[A3] For 1977, 50 percent of net long-term capital gains were included in AGI. During 1978, the inclusion ratio was changed to 40 percent. This inclusion ratio remained unchanged through 1986. Beginning with 1987, there was no exclusion allowed for capital gains in computing AGI, and thus this adjustment was not made in computing expanded income for returns for years after 1986.

From this time forward, taxpayers were required to report on their Federal income tax returns the amount of their tax-exempt interest income from State and local Government bonds. Since 1987, tax-exempt interest has been included in expanded income.

Taxpayers are also required to report social security benefits. Since 1988, nontaxable social security benefits have been included in expanded income. However, if none of a particular taxpayer's social security benefits are taxable, then gross social security benefits are not required to be shown on the income tax return. In such instances, which generally only affect lower and middle income taxpayers, social security benefits are not included in expanded income.

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The subtraction of unreimbursed employee business expense and the moving expense deduction is to make the concept of expanded income comparable to years prior to 1987.

Due to subtracting non-limited miscellaneous deductions and not subtracting the nondeductible rental loss for 1989, the expanded income concept for 1989 is not strictly comparable to expanded income for 1988. The expanded income concept for 1990 is not strictly comparable to expanded income for 1989 because of the addition of the foreign-earned income exclusion. Specific details on the definition of expanded income for any given year are available in the reports and publications enumerated in footnote 2, under Notes and References.

[A4] The "tax preferences" (obtained from Form 6251, *Alternative Minimum Tax Computation*) excluded from adjusted gross income and tabulated in Tables 5 and 6 include the following items: the excess of accelerated depreciation over straight-line depreciation on certain real property and property subject to a lease (for property placed in service before 1987); the appreciated portion of the value of certain property contributed to charitable organizations; the excess of percentage depletion over the "adjusted basis" of the property; certain intangible drilling costs to the extent that they exceed the otherwise allowable amortization deductions; and related adjustments, refigured for AMT purposes, such as section 179 expense deductions, expenses for business or rental use of the home, taxable IRA distributions, etc. Preferences obtained through itemized deductions do not represent omitted income; hence, they have not been counted as preference items in calculating a broader measure of income. The preference from tax-exempt interest on certain private activity bonds was not included since the interest for all tax-exempt State and local Government bonds is considered to be omitted income. Specific details on the tax preference items obtained from Form 6251 for earlier years are available in the reports and publications enumerated in footnote 2, under Notes and References.

[A5] Includes deductible meal and entertainment expenses. Deductible expenses are limited to 80 percent of total meal and entertainment expenses, beginning with Tax Year 1987.

[A6] Certain moving expenses, such as expenses for temporary quarters and expenses of selling the former residence, are limited.

[A7] Some income deferrals and accelerated expense deductions may also be involved in income or losses from rental property, from royalties, from partnerships, and from S Corporations, only the net amounts of which are included in adjusted gross income.

Appendix B: Tax Concepts

This Appendix provides a brief summary of the U.S. taxation of worldwide income and the foreign tax credit. The two tax concepts used in the article are then defined. The following section explains the computation of the deduction equivalent of credits and other items. A final section discusses the possible implications of the use of unaudited tax return data for this article.

U.S. Taxation of Worldwide Income and the Foreign Tax Credit

Citizens and residents of the United States, regardless of where they reside, must generally include in income for Federal income tax purposes income from all geographic sources. Thus, for example, dividends and interest received from a foreign corporation or income earned working abroad is subject to Federal income tax in the same manner as income received from sources inside the United States [B1]. Income from sources outside the United States may also be subject to tax by foreign governments.

To reduce, if not eliminate, the possibility of double taxation of the foreign-source income of U.S. citizens and residents, the Federal income tax allows a credit for income taxes paid to foreign governments. This foreign tax credit is generally limited to the amount of (pre-credit) U.S. tax liability attributable to foreign-source income. This limit prevents the foreign tax credit from offsetting the U.S. tax on U.S.-source income.

As a result of taxing citizens and residents on a worldwide basis but allowing a foreign tax credit, some Federal income tax returns may report substantial income but little or no U.S. tax liability after credits. This may occur, for example, if a taxpayer has income only from foreign sources (the taxpayer may live abroad the entire year and have no income-producing assets in the United States), or if a taxpayer has foreign-source income that exceeds a net loss from U.S. sources, and pays income taxes to a foreign government that are comparable to the U.S. tax [B2].

For taxpayers with income from foreign sources, these procedures understate the taxpayers' true worldwide income tax liabilities and effective income tax rates. For such taxpayers, it does not seem appropriate to classify U.S. income tax credits for foreign tax payments as reducing tax liabilities. That is particularly true for tax

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filers who appear to be nontaxable because they do not have any U.S. tax liability, but who have paid foreign income taxes. A more accurate measure of overall income tax burden, as well as the numbers of nontaxable returns, can be obtained by considering all income taxes -- U.S. as well as foreign. Thus, a second tax concept, worldwide income tax has been used in addition to the traditional U.S. income tax.

Two Tax Concepts

Two tax concepts are used in this article to classify tax returns as taxable (i.e., they show an income tax liability) or nontaxable (i.e., they do not show an income tax liability) and to measure the tax burdens on taxable returns: U.S. income tax and worldwide income tax. Worldwide income tax is defined for purposes of this article as U.S. income tax plus the foreign tax credits reported on the U.S. income tax return and foreign taxes paid on excluded foreign-earned income (obtained from Form 1116, *Foreign Tax Credit*). The amount of the foreign tax credits and foreign taxes paid on excluded foreign-earned income is used as a proxy for foreign tax liabilities [B3]. The relationship of U.S. income tax to tax items reported on individual income tax returns, and to worldwide income tax, is shown in Figure G.

Comparing Exclusions, Deductions, Tax Credits and Special Tax Computations

In order to compare the importance of various exclusions,

deductions, tax credits, and special tax computations (such as the alternative minimum tax on tax preferences), the different types of items must be placed on the same basis. One way of doing so is to calculate the size of the deduction that would reduce (or increase) income tax by the same amount as a tax credit or special computation. This amount is called the "deduction equivalent" of the tax credit or special computation.

The deduction equivalent of a tax credit or a special tax computation is the difference between the taxable income that, using the ordinary tax rate schedules, would yield the actual tax before the provision in question is considered and the actual tax after the provision. For example, the "deduction equivalent of all tax credits" is equal to the difference between "taxable income which would yield income tax before credits" and "taxable income which would yield income tax after credits."

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated may affect the value of their deduction equivalents. Because the tax rate schedules are progressive with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first, unless all relevant taxable income amounts are within a single tax rate bracket.

The deduction equivalents of tax credits shown in Tables 9 and 10 were computed by assuming that deductions and exclusions reduce taxes before credits. As a result, the deduction equivalent of tax credits may be overstated.

Unaudited Data

Tax return data used for *Statistics of Income* have been tabulated as they were reported on tax returns filed with the Internal Revenue Service (IRS). Certain obvious arithmetic errors have been corrected, and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In particular, the data do not reflect any changes that may have been made or that may be made in the future as a result of IRS audits. While this is true of data throughout the entire Statistics of Income program, it is of particular relevance for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and more scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-

Figure G

Derivation of "U.S. Income Tax" and "Worldwide Income Tax," Tax Year 1993

Tax at regular rates (tax generated)	
PLUS:	Additional taxes (such as tax on accumulation distributions from qualified retirement plans, Form 4972)
EQUALS: Income tax before credits	
PLUS:	Alternative minimum tax (Form 6251)
MINUS:	Tax credits
EQUALS: U.S. income tax	
PLUS:	Foreign tax credit
PLUS:	Foreign taxes paid on excluded foreign earned income (Form 1116)
EQUALS: Worldwide income tax	

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income returns that are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences are minor, such returns would be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

Notes to Appendix B

[B1] An exception is that certain income earned abroad may be excluded from AGI. Any foreign taxes paid on such income are not creditable against U.S. income tax. The tables in this article include such excluded income in expanded income. Foreign taxes paid on such income are reflected in worldwide income tax, as discussed later.

[B2] Although the foreign tax credit is an item of tax preference for AMT purposes, taxpayers below the AMT exclusion thresholds, or with preferences or deductions not subject to AMT, may completely offset their pre-credit U.S. income tax liability with their foreign tax credit.

[B3] Where foreign tax rates exceed U.S. rates, foreign tax credits will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign tax liabilities understates worldwide income tax liability. In other cases, when foreign tax credits are for taxes paid on income from previous years, use of foreign tax credits as a proxy may overstate *or* understate worldwide taxes on current-year income.

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Table 1.—Returns With and Without U.S. Income Tax: Number of Returns, by Size of Income Under Alternative Concepts and Tax Status

[All figures are estimates based on samples]

Returns by size of expanded income	Total returns	Returns by size of adjusted gross income			
		Under \$50,000 ¹	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total.....	114,601,819	94,027,170	16,473,325	3,107,998	993,326
Under \$50,000 ¹	93,421,807	93,054,266	365,100	1,859	583
\$50,000 under \$100,000.....	16,960,146	940,582	15,902,998	116,328	238
\$100,000 under \$200,000.....	3,176,652	30,909	197,228	2,925,297	23,217
\$200,000 or more.....	1,043,213	1,414	7,999	64,513	969,287
Returns with U.S. income tax					
Total.....	90,190,021	69,657,907	16,436,207	3,103,603	992,304
Under \$50,000 ¹	69,130,403	68,765,242	363,450	1,449	263
\$50,000 under \$100,000.....	16,856,860	868,965	15,871,780	115,951	164
\$100,000 under \$200,000.....	3,161,936	23,142	193,653	2,922,024	23,116
\$200,000 or more.....	1,040,821	558	7,324	64,179	968,760
Returns without U.S. income tax					
Total.....	24,411,798	24,369,263	37,118	4,395	1,022
Under \$50,000 ¹	24,291,404	24,289,024	1,650	410	320
\$50,000 under \$100,000.....	103,286	71,616	31,218	378	74
\$100,000 under \$200,000.....	14,716	7,767	3,575	3,274	101
\$200,000 or more.....	2,392	856	675	334	527

¹Includes returns with adjusted gross deficit or with negative expanded income.

NOTE: Detail may not add to totals because of rounding.

High-Income Tax Returns for 1993

Table 2.--Returns With and Without Worldwide Income Tax: Number of Returns, by Size of Income Under Alternative Concepts and Tax Status

[All figures are estimates based on samples]

Returns by size of expanded income	Total returns	Returns by size of adjusted gross income			
		Under \$50,000 ¹	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total.....	114,601,819	94,027,170	16,473,325	3,107,998	993,326
Under \$50,000 ¹	93,421,807	93,054,266	365,100	1,859	583
\$50,000 under \$100,000.....	16,960,146	940,582	15,902,998	116,328	238
\$100,000 under \$200,000.....	3,176,652	30,909	197,228	2,925,297	23,217
\$200,000 or more.....	1,043,213	1,414	7,999	64,513	969,287
Returns with worldwide income tax					
Total.....	90,206,880	69,672,091	16,437,891	3,104,504	992,394
Under \$50,000 ¹	69,138,444	68,773,279	363,450	1,449	266
\$50,000 under \$100,000.....	16,861,921	873,149	15,872,451	116,154	166
\$100,000 under \$200,000.....	3,165,252	25,098	194,321	2,922,712	23,121
\$200,000 or more.....	1,041,263	565	7,670	64,188	968,840
Returns without worldwide income tax					
Total.....	24,394,939	24,355,079	35,433	3,494	932
Under \$50,000 ¹	24,283,364	24,280,987	1,650	410	317
\$50,000 under \$100,000.....	98,225	67,432	30,547	174	72
\$100,000 under \$200,000.....	11,400	5,811	2,908	2,585	96
\$200,000 or more.....	1,950	849	329	325	447

¹Includes returns with adjusted gross deficit or with negative expanded income.

NOTE: Detail may not add to totals because of rounding.

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Table 3.—Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total.....	993,326	100.0	-	1,043,213	100.0	-
Returns without U.S. income tax.....	1,022	0.1	-	2,392	0.2	-
Returns with U.S. income tax:						
Total.....	992,304	99.9	100.0	1,040,821	99.8	100.0
Ratio of adjusted taxable income to income per concept:						
Under 5 percent.....	187	(¹)	(¹)	1,191	0.1	0.1
5 under 10 percent.....	749	0.1	0.1	5,167	0.5	0.6
10 under 15 percent.....	1,884	0.2	0.3	4,239	0.4	1.0
15 under 20 percent.....	1,933	0.2	0.5	6,172	0.6	1.6
20 under 25 percent.....	1,244	0.1	0.6	4,748	0.5	2.1
25 under 30 percent.....	1,116	0.1	0.7	4,661	0.4	2.5
30 under 35 percent.....	1,755	0.2	0.9	5,697	0.5	3.1
35 under 40 percent.....	3,207	0.3	1.2	7,531	0.7	3.8
40 under 45 percent.....	2,875	0.3	1.5	11,155	1.1	4.9
45 under 50 percent.....	5,885	0.6	2.1	10,468	1.0	5.9
50 under 60 percent.....	12,575	1.3	3.4	32,672	3.1	9.0
60 under 70 percent.....	51,003	5.1	8.5	64,624	6.2	15.2
70 under 80 percent.....	201,061	20.3	28.8	208,645	20.0	35.3
80 percent or more.....	706,829	71.2	100.0	673,850	64.7	100.0

¹Less than 0.05 percent.

NOTE: Detail may not add to totals because of rounding.

High-Income Tax Returns for 1993

Table 4.--Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total.....	993,326	100.0	-	1,043,213	100.0	-
Returns without worldwide income tax.....	932	0.1	-	1,950	0.2	-
Returns with worldwide income tax:						
Total.....	992,394	99.9	100.0	1,041,263	99.8	100.0
Ratio of adjusted taxable income to income per concept:						
Under 5 percent.....	166	(¹)	(¹)	1,042	0.1	0.1
5 under 10 percent.....	519	0.1	0.1	748	0.1	0.2
10 under 15 percent.....	305	(¹)	0.1	1,881	0.2	0.4
15 under 20 percent.....	481	(¹)	0.1	5,080	0.5	0.8
20 under 25 percent.....	850	0.1	0.2	3,750	0.4	1.2
25 under 30 percent.....	981	0.1	0.3	3,620	0.3	1.5
30 under 35 percent.....	1,236	0.1	0.5	4,988	0.5	2.0
35 under 40 percent.....	2,308	0.2	0.7	5,629	0.5	2.6
40 under 45 percent.....	2,371	0.2	0.9	10,645	1.0	3.6
45 under 50 percent.....	4,798	0.5	1.4	9,781	0.9	4.5
50 under 60 percent.....	11,106	1.1	2.5	33,232	3.2	7.7
60 under 70 percent.....	47,628	4.8	7.3	64,098	6.2	13.9
70 under 80 percent.....	199,992	20.2	27.5	209,771	20.1	34.0
80 percent or more.....	719,651	72.5	100.0	686,996	66.0	100.0

¹Less than 0.05 percent.

NOTE: Detail may not add to totals because of rounding.

High-Income Tax Returns for 1993

Table 5.—Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income concept						
Salaries and wages.....	848,923	241,019,983	848,328	240,878,306	595	141,677
Business or profession:						
Net income.....	223,901	28,250,471	223,693	28,222,205	208	28,266
Net loss.....	63,630	1,426,369	63,474	1,380,934	156	45,435
Farm:						
Net income.....	11,934	599,261	11,923	598,367	11	894
Net loss.....	28,233	1,151,957	28,200	1,146,212	33	5,746
Partnership and S Corporation net income after section 179 property deduction ¹ :						
Net income.....	391,538	84,087,949	391,289	84,045,673	249	42,276
Net loss.....	181,531	10,428,470	181,076	10,119,972	455	308,498
Sales of capital assets:						
Net gain.....	599,108	80,636,152	598,558	80,376,288	550	259,864
Net loss.....	192,977	462,660	192,671	461,801	306	858
Sales of property other than capital assets:						
Net gain.....	52,586	1,022,835	52,497	1,016,312	89	6,523
Net loss.....	104,360	1,354,753	104,167	1,332,691	193	22,062
Taxable interest received.....	977,392	26,388,045	976,422	26,107,041	970	281,004
Tax-exempt interest.....	407,912	15,495,809	407,597	15,444,600	315	51,209
Dividends.....	812,388	22,765,814	811,635	22,646,386	753	119,428
Pensions and annuities in adjusted gross income.....	164,323	5,727,361	164,165	5,718,357	158	9,004
Rent:						
Net income.....	201,361	8,474,171	201,149	8,460,088	212	14,083
Net loss, total (deductible and nondeductible).....	174,470	2,433,355	174,171	2,413,296	299	20,058
Nondeductible rental loss.....	128,341	1,683,052	128,106	1,670,222	235	12,830
Royalty:						
Net income.....	88,095	2,218,599	87,973	2,216,174	122	2,425
Net loss.....	4,847	24,769	4,841	24,748	6	21
Estate or trust:						
Net income.....	42,266	2,691,465	42,190	2,688,066	76	3,399
Net loss.....	4,953	154,788	4,936	147,257	17	7,530
State income tax refunds.....	488,061	2,346,252	487,684	2,334,724	377	11,528
Windfall profit tax refunds.....	3	66	3	66	-	-
Windfall profit tax withheld.....	-	-	-	-	-	-
Alimony received.....	1,589	121,009	-	-	-	-
Social security benefits in adjusted gross income.....	122,330	999,170	122,110	997,435	220	1,735
Social security benefits (nontaxable).....	122,330	999,180	122,110	997,445	220	1,735
Unemployment compensation.....	12,025	53,240	12,017	53,220	8	20
Other income.....	201,188	7,056,043	200,892	6,999,046	296	56,997
Other loss.....	8,372	332,060	8,340	326,820	32	5,240
Foreign earned income exclusion.....	9,145	782,078	9,104	779,135	41	2,943
Total income.....	993,326	498,235,618	992,304	497,701,026	1,022	534,592
Statutory adjustments, total.....	424,211	5,234,879	423,851	5,230,566	360	4,313
Payments to Individual Retirement Arrangements.....	81,156	245,913	81,107	245,784	49	128
Payments to self employed retirement (Keogh) plans.....	128,167	2,751,467	128,129	2,750,661	38	807
Adjusted gross income.....	993,326	493,000,739	992,304	492,470,460	1,022	530,279
Investment interest.....	289,179	5,624,759	288,531	5,301,749	648	323,010
Total tax preferences excluded from adjusted gross income.....	425,835	16,117,898	425,468	16,063,163	367	54,734
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds).....	41,711	647,339	41,607	643,544	104	3,795
Passive activity loss (alternative minimum tax adjustment).....	171,296	950,854	171,049	953,140	247	-2,286
Expanded income.....	993,305	502,800,942	992,304	502,582,693	1,001	218,249

Footnotes at end of table.

High-Income Tax Returns for 1993

Table 5.--Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income concept--Continued						
Exemption amount.....	430,330	1,278,929	429,888	1,277,689	442	1,240
Itemized deductions:						
Total per adjusted gross income concept.....	943,634	64,463,963	942,652	63,813,415	982	650,548
Total per income concept.....	943,634	64,463,963	942,652	63,813,415	982	650,548
Contributions deduction.....	914,991	15,860,422	914,126	15,799,887	865	60,535
Interest paid deduction:						
Total per adjusted gross income concept.....	790,254	19,298,237	789,392	18,939,568	862	358,670
Total per income concept.....	790,254	19,298,237	789,392	18,939,568	862	358,670
Total home mortgage interest deduction.....	723,341	13,382,311	722,635	13,347,835	706	34,476
Medical and dental expense deduction.....	11,011	339,195	10,878	314,011	133	25,183
Net casualty or theft loss deduction.....	4,096	339,504	3,879	235,981	217	103,523
Taxes paid deduction.....	939,869	35,528,084	938,945	35,483,391	924	44,693
Net limited miscellaneous deductions per adjusted gross income concept.....	151,291	2,774,387	150,923	2,751,883	368	22,505
Non-limited miscellaneous deductions.....	31,922	537,093	31,796	491,084	126	46,008
Moving expense deduction.....	33,725	365,570	33,714	365,390	11	180
Excess of exemptions and deductions over adjusted gross income.....	1,286	259,823	461	86,307	825	173,517
Taxable income.....	992,018	427,220,158	991,838	427,168,348	180	51,810
Tax at regular rates.....	992,023	140,382,004	991,841	140,366,315	182	15,690
Income tax before credits.....	992,029	140,456,033	991,844	140,440,336	185	15,698
Tax credits:						
Total.....	292,182	1,967,719	291,997	1,952,022	185	15,698
Child care credit.....	49,592	26,871	49,592	26,871	-	-
Minimum tax credit.....	18,260	201,418	18,176	197,962	84	3,456
Foreign tax credit.....	212,188	1,460,505	212,098	1,448,871	90	11,634
General business credit.....	33,453	205,492	33,418	204,938	35	554
Alternative minimum tax (Form 6251).....	110,063	1,382,967	110,063	1,382,967	-	-
Income tax:						
U.S. total income tax.....	992,304	139,871,281	992,304	139,871,281	-	-
Foreign taxes paid.....	(²)	(²)	(²)	(²)	(²)	(²)
Foreign taxes paid on excluded foreign earned income (Form 1116).....	(²)	(²)	(²)	(²)	(²)	(²)
Taxable income which would yield:						
Income tax before credits.....	992,029	410,190,708	991,844	410,141,188	185	49,520
Income tax after credits.....	991,449	404,921,524	991,449	404,921,524	-	-
U.S. total income tax.....	992,304	408,573,079	992,304	408,573,079	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income.....	993,326	493,000,739	992,304	492,470,460	1,022	530,279
plus: Total tax preferences excluded from adjusted gross income ³	425,835	16,117,898	425,468	16,063,163	367	54,734
Social security benefits (nontaxable).....	122,330	999,180	122,110	997,445	220	1,735
Foreign-earned income exclusion.....	9,145	782,078	9,104	779,135	41	2,943
minus: Investment interest.....	289,179	5,624,759	288,531	5,301,749	648	323,010
Non-limited miscellaneous deductions.....	31,922	537,093	31,796	491,084	126	46,008
Moving expense deduction.....	33,725	365,570	33,714	365,390	11	180
Unreimbursed employee business expense.....	159,996	1,571,531	159,904	1,569,287	92	2,244
Equals: Expanded income.....	993,305	502,800,942	992,304	502,582,693	1,001	218,249

Footnotes at end of table.

High-Income Tax Returns for 1993

Table 5.--Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Expanded income concept						
Salaries and wages.....	857,981	241,114,709	857,040	240,947,074	942	167,635
Business or profession:						
Net income.....	230,997	28,515,797	230,752	28,489,618	245	26,179
Net loss.....	66,890	1,474,368	66,669	1,424,332	221	50,036
Farm:						
Net income.....	12,599	621,175	12,584	620,300	15	876
Net loss.....	28,500	1,184,503	28,423	1,173,859	77	10,643
Partnership and S Corporation net income after section 179 property deduction ¹ :						
Net income.....	405,256	84,618,002	404,861	84,580,101	395	37,901
Net loss.....	190,877	10,459,308	190,193	10,240,549	684	218,759
Sales of capital assets:						
Net gain.....	642,051	81,875,913	640,969	81,700,607	1,082	175,306
Net loss.....	203,724	494,037	202,937	491,841	787	2,196
Sales of property other than capital assets:						
Net gain.....	55,134	1,028,483	55,010	1,024,035	124	4,448
Net loss.....	108,825	1,375,404	108,529	1,344,332	296	31,072
Taxable interest received.....	1,028,176	27,534,623	1,025,821	27,374,097	2,356	160,526
Tax-exempt interest.....	466,405	21,136,328	464,662	20,546,262	1,743	590,066
Dividends.....	861,758	24,476,687	859,949	24,357,198	1,809	119,490
Pensions and annuities in adjusted gross income.....	194,405	6,759,020	193,983	6,747,667	422	11,353
Rent:						
Net income.....	217,102	8,857,225	216,758	8,842,555	344	14,670
Net loss, total (deductible and nondeductible).....	179,335	2,476,377	178,997	2,465,784	338	10,594
Nondeductible rental loss.....	130,485	1,691,936	130,283	1,686,143	202	5,793
Royalty:						
Net income.....	95,638	2,290,084	95,365	2,286,851	273	3,233
Net loss.....	5,351	25,939	5,333	25,661	18	278
Estate or trust:						
Net income.....	47,689	2,725,353	47,504	2,721,239	185	4,114
Net loss.....	7,223	147,352	7,189	145,657	34	1,696
State income tax refunds.....	510,480	2,410,717	509,671	2,397,898	809	12,819
Windfall profit tax refunds.....	3	66	3	66	-	-
Windfall profit tax withheld.....	-	-	-	-	-	-
Alimony received.....	1,267	55,861	-	-	-	-
Social security benefits in adjusted gross income.....	166,049	1,368,698	164,938	1,360,229	1,111	8,470
Social security benefits (nontaxable).....	166,049	1,368,710	164,938	1,360,241	1,111	8,470
Unemployment compensation.....	12,059	54,346	12,053	54,334	6	12
Other income.....	208,625	6,987,175	208,305	6,979,664	320	7,511
Other loss.....	12,616	452,096	12,578	448,772	38	3,324
Foreign earned income exclusion.....	18,581	1,691,560	18,210	1,647,876	371	43,684
Total income.....	1,043,213	504,178,355	1,040,821	503,804,909	2,392	373,446
Statutory adjustments, total.....	437,869	5,316,688	437,398	5,311,548	471	5,139
Payments to Individual Retirement Arrangements.....	81,848	248,071	81,788	247,920	60	151
Payments to self employed retirement (Keogh) plans.....	130,744	2,796,848	130,700	2,795,993	44	856
Adjusted gross income.....	1,043,213	498,861,667	1,040,821	498,493,360	2,392	368,306
Investment interest.....	293,960	4,998,182	293,372	4,905,043	588	93,140
Total tax preferences excluded from adjusted gross income.....	484,953	21,801,333	483,176	21,207,291	1,777	594,042
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds).....	45,371	693,765	45,174	688,767	197	4,997
Passive activity loss (alternative minimum tax adjustment).....	183,917	962,043	183,556	968,045	361	-6,001
Expanded income.....	1,043,213	516,747,411	1,040,821	515,829,063	2,392	918,348

Footnotes at end of table.

High-Income Tax Returns for 1993

Table 5.—Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Expanded income concept—Continued						
Exemption amount.....	480,433	1,516,155	478,331	1,506,349	2,102	9,805
Itemized deductions:						
Total per adjusted gross income concept.....	984,339	64,672,078	982,557	64,230,377	1,782	441,701
Total per income concept.....	983,893	68,749,412	982,112	68,397,448	1,781	351,964
Contributions deduction.....	951,947	16,362,736	950,329	16,299,370	1,618	63,366
Interest paid deduction:						
Total per adjusted gross income concept.....	795,756	18,549,306	794,723	18,425,912	1,033	123,395
Total per income concept.....	721,593	13,551,124	720,804	13,520,869	789	30,255
Total home mortgage interest deduction.....	721,004	13,291,342	720,215	13,262,273	789	29,069
Medical and dental expense deduction.....	20,884	514,686	19,889	439,563	995	75,123
Net casualty or theft loss deduction.....	4,114	342,260	3,878	235,887	236	106,373
Taxes paid deduction.....	979,518	36,109,568	977,787	36,058,379	1,731	51,189
Net limited miscellaneous deductions per adjusted gross income concept.....	161,384	2,731,054	160,183	2,704,894	1,201	26,160
Non-limited miscellaneous deductions.....	28,982	346,022	28,909	343,752	73	2,270
Moving expense deduction.....	30,282	314,260	30,271	314,136	11	124
Excess of exemptions and deductions over adjusted gross income.....	2,508	234,715	653	73,544	1,855	161,170
Taxable income.....	1,040,699	432,554,182	1,040,164	432,479,899	535	74,283
Tax at regular rates.....	1,040,701	141,706,210	1,040,164	141,685,807	537	20,403
Income tax before credits.....	1,040,707	141,780,205	1,040,167	141,759,798	540	20,407
Tax credits:						
Total.....	319,950	2,149,597	319,410	2,129,190	540	20,407
Child care credit.....	49,178	26,825	49,178	26,825	-	-
Minimum tax credit.....	18,884	201,567	18,789	198,135	95	3,431
Foreign tax credit.....	239,498	1,639,116	239,056	1,622,801	442	16,314
General business credit.....	34,596	208,266	34,563	207,742	33	524
Alternative minimum tax (Form 6251).....	117,898	1,403,723	117,898	1,403,723	-	-
Income tax:						
U.S. total income tax.....	1,040,821	141,034,331	1,040,821	141,034,331	-	-
Foreign taxes paid.....	(²)	(²)	(²)	(²)	(²)	(²)
Foreign taxes paid on excluded foreign earned income (Form 1116).....	(²)	(²)	(²)	(²)	(²)	(²)
Taxable income which would yield:						
Income tax before credits.....	1,040,707	415,416,943	1,040,167	415,344,971	540	71,972
Income tax after credits.....	1,039,286	409,495,592	1,039,286	409,495,592	-	-
U.S. total income tax.....	1,040,821	413,246,181	1,040,821	413,246,181	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income.....	1,043,213	498,861,667	1,040,821	498,493,360	2,392	368,306
plus: Total tax preferences excluded from adjusted gross income ³	484,953	21,801,333	483,176	21,207,291	1,777	594,042
Social security benefits (nontaxable).....	166,049	1,368,710	164,938	1,360,241	1,111	8,470
Foreign-earned income exclusion.....	18,581	1,691,560	18,210	1,647,876	371	43,684
minus: Investment interest.....	293,960	4,998,182	293,372	4,905,043	588	93,140
Non-limited miscellaneous deductions.....	28,982	346,022	28,909	343,752	73	2,270
Moving expense deduction.....	30,282	314,260	30,271	314,136	11	124
Unreimbursed employee business expense.....	153,573	1,317,395	153,462	1,316,774	111	621
Equals: Expanded income.....	1,043,213	516,747,411	1,040,821	515,829,063	2,392	918,348

² Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

³ Section 179 of the Internal Revenue Code permits certain taxpayers to elect to deduct all or part of the cost of certain qualifying property in the year they place it in service, instead of taking depreciation deductions over a specified recovery period.

⁴ Not shown because "U.S. income tax" is after reduction by foreign tax credit, which is shown above. See the text for discussion of the relationships among foreign taxes paid, foreign tax credit and U.S. income tax.

⁵ Includes tax-exempt interest and tax preference items subject to alternative minimum tax.

NOTE: Detail may not add to totals because of rounding.

High-Income Tax Returns for 1993

Table 6.--Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income concept						
Salaries and wages.....	848,923	241,019,983	848,395	240,901,701	528	118,282
Business or profession:						
Net income.....	223,901	28,250,471	223,710	28,229,402	191	21,069
Net loss.....	63,630	1,426,369	63,480	1,381,282	150	45,087
Farm:						
Net income.....	11,934	599,261	11,925	598,380	9	881
Net loss.....	28,233	1,151,957	28,200	1,146,212	33	5,746
Partnership and S Corporation net income after section 179 property deduction ¹ :						
Net income.....	391,538	84,087,949	391,301	84,047,518	237	40,431
Net loss.....	181,531	10,428,470	181,089	10,123,234	442	305,237
Sales of capital assets:						
Net gain.....	599,108	80,636,152	598,592	80,392,102	516	244,050
Net loss.....	192,977	462,660	192,688	461,846	289	814
Sales of property other than capital assets:						
Net gain.....	52,586	1,022,835	52,500	1,016,377	86	6,458
Net loss.....	104,360	1,354,753	104,171	1,332,751	189	22,002
Taxable interest received.....	977,392	26,388,045	976,497	26,110,566	895	277,480
Tax-exempt interest.....	407,912	15,495,809	407,610	15,445,717	302	50,092
Dividends.....	812,388	22,765,814	811,686	22,648,437	702	117,377
Pensions and annuities in adjusted gross income.....	164,323	5,727,361	164,173	5,719,186	150	8,175
Rent:						
Net income.....	201,361	8,474,171	201,166	8,461,241	195	12,931
Net loss, total (deductible and nondeductible).....	174,470	2,433,355	174,191	2,413,495	279	19,860
Nondeductible rental loss.....	128,341	1,683,052	128,118	1,670,370	223	12,682
Royalty:						
Net income.....	88,095	2,218,599	87,975	2,216,174	120	2,425
Net loss.....	4,847	24,769	4,841	24,748	6	21
Estate or trust:						
Net income.....	42,266	2,691,465	42,191	2,688,078	75	3,387
Net loss.....	4,953	154,788	4,936	147,257	17	7,530
State income tax refunds.....	488,061	2,346,252	487,695	2,334,758	366	11,494
Windfall profit tax refunds.....	3	66	3	66	-	-
Windfall profit tax withheld.....	-	-	-	-	-	-
Alimony received.....	1,589	121,009	-	-	-	-
Social security benefits in adjusted gross income.....	122,330	999,170	122,115	997,472	215	1,697
Social security benefits (nontaxable).....	122,330	999,180	122,115	997,483	215	1,697
Unemployment compensation.....	12,025	53,240	12,017	53,220	8	20
Other income.....	201,188	7,056,043	200,906	6,999,768	282	56,275
Other loss.....	8,372	332,060	8,348	327,990	24	4,070
Foreign earned income exclusion.....	9,145	782,078	-	-	-	-
Total income.....	993,326	498,235,618	992,394	497,749,520	932	486,098
Statutory adjustments, total.....	424,211	5,234,879	423,875	5,231,140	336	3,739
Payments to Individual Retirement Arrangements.....	81,156	245,913	81,110	245,790	46	122
Payments to self employed retirement (Keogh) plans.....	128,167	2,751,467	128,132	2,750,746	35	722
Adjusted gross income.....	993,326	493,000,739	992,394	492,518,380	932	482,359
Investment interest.....	289,179	5,624,759	288,550	5,306,288	629	318,471
Total tax preferences excluded from adjusted gross income.....	425,835	16,117,898	425,484	16,064,331	351	53,567
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds).....	41,711	647,339	41,616	643,595	95	3,744
Passive activity loss (alternative minimum tax adjustment).....	171,296	950,854	171,059	952,993	237	-2,138
Expanded income.....	993,305	502,800,942	992,394	502,629,848	911	171,094

Footnotes at end of table.

High-Income Tax Returns for 1993

Table 6.—Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income concept—Continued						
Exemption amount.....	430,330	1,278,929	429,928	1,277,813	402	1,116
Itemized deductions:						
Total per adjusted gross income concept.....	943,634	64,463,963	942,702	63,822,320	932	641,643
Total per income concept.....	943,634	64,463,963	942,702	63,822,320	932	641,643
Contributions deduction.....	914,991	15,860,422	914,160	15,802,349	831	58,073
Interest paid deduction:						
Total per adjusted gross income concept.....	790,254	19,298,237	789,436	18,945,291	818	352,947
Total per income concept.....	790,254	19,298,237	789,436	18,945,291	818	352,947
Total home mortgage interest deduction.....	723,341	13,382,311	722,672	13,349,006	669	33,305
Medical and dental expense deduction.....	11,011	339,195	10,880	314,033	131	25,161
Net casualty or theft loss deduction.....	4,096	339,504	3,879	235,981	217	103,523
Taxes paid deduction.....	939,869	35,528,084	938,984	35,484,082	885	44,002
Net limited miscellaneous deductions per adjusted gross income concept.....	151,291	2,774,387	150,932	2,752,045	359	22,342
Non-limited miscellaneous deductions.....	31,922	537,093	31,799	491,258	123	45,834
Moving expense deduction.....	33,725	365,570	33,718	365,455	7	116
Excess of exemptions and deductions over adjusted gross income.....	1,286	259,823	461	86,307	825	173,517
Taxable income.....	992,018	427,220,158	991,928	427,207,041	90	13,117
Tax at regular rates.....	992,023	140,382,004	991,931	140,378,422	92	3,583
Income tax before credits.....	992,029	140,456,033	991,934	140,452,443	95	3,591
Tax credits:						
Total.....	108,106	507,214	108,011	503,623	95	3,591
Child care credit.....	49,592	26,871	49,592	26,871	-	-
Minimum tax credit.....	18,260	201,418	18,186	198,386	74	3,031
Foreign tax credit.....	-	-	-	-	-	-
General business credit.....	33,453	205,492	33,423	204,985	30	507
Alternative minimum tax (Form 6251).....	110,063	1,382,967	110,063	1,382,967	-	-
Income tax:						
Worldwide total income tax.....	992,394	141,482,853	992,394	141,482,853	-	-
Foreign taxes paid.....	212,188	1,611,572	212,188	1,611,572	-	-
Foreign taxes paid on excluded foreign earned income (Form 1116).....	6,172	151,067	6,172	151,067	-	-
Taxable income which would yield:						
Income tax before credits.....	992,029	410,190,708	991,934	410,178,554	95	12,154
Income tax after credits.....	991,932	409,275,353	991,932	409,275,353	-	-
Worldwide total income tax.....	992,394	412,898,168	992,394	412,898,168	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income.....	993,326	493,000,739	992,394	492,518,380	932	482,359
plus: Total tax preferences excluded from adjusted gross income ²	425,835	16,117,898	425,484	16,064,331	351	53,567
Social security benefits (nontaxable).....	122,330	999,180	122,115	997,483	215	1,697
Foreign-earned income exclusion.....	9,145	782,078	-	-	-	-
minus: Investment interest.....	289,179	5,624,759	288,550	5,306,288	629	318,471
Non-limited miscellaneous deductions.....	31,922	537,093	31,799	491,258	123	45,834
Moving expense deduction.....	33,725	365,570	33,718	365,455	7	116
Unreimbursed employee business expense.....	159,996	1,571,531	159,908	1,569,365	88	2,166
Equals: Expanded income.....	993,305	502,800,942	992,394	502,629,848	911	171,094

Footnotes at end of table.

High-Income Tax Returns for 1993

Table 6.—Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Expanded income concept						
Salaries and wages.....	857,981	241,114,709	857,442	241,038,833	539	75,876
Business or profession:						
Net income.....	230,997	28,515,797	230,773	26,497,271	224	18,526
Net loss.....	66,890	1,474,368	66,677	1,424,819	213	49,550
Farm:						
Net income.....	12,599	621,175	12,586	620,313	13	863
Net loss.....	28,500	1,184,503	28,425	1,173,961	75	10,542
Partnership and S Corporation net income after section 179 property deduction ¹ :						
Net income.....	405,256	84,618,002	404,880	84,582,439	376	35,563
Net loss.....	190,877	10,459,308	190,214	10,250,920	663	208,388
Sales of capital assets:						
Net gain.....	642,051	81,875,913	641,016	81,720,176	1,035	155,736
Net loss.....	203,724	494,037	202,964	491,913	760	2,124
Sales of property other than capital assets:						
Net gain.....	55,134	1,028,483	55,017	1,024,200	117	4,284
Net loss.....	108,825	1,375,404	108,543	1,344,977	282	30,428
Taxable interest received.....	1,028,176	27,534,623	1,026,247	27,378,325	1,929	156,298
Tax-exempt interest.....	466,405	21,136,328	464,703	20,554,448	1,702	581,880
Dividends.....	861,758	24,476,687	860,022	24,359,798	1,736	116,889
Pensions and annuities in adjusted gross income.....	194,405	6,759,020	194,000	6,748,658	405	10,362
Rent:						
Net income.....	217,102	8,857,225	216,783	8,843,965	319	13,261
Net loss, total (deductible and nondeductible).....	179,335	2,476,377	179,022	2,466,300	313	10,077
Nondeductible rental loss.....	130,485	1,691,936	130,299	1,686,543	186	5,393
Royalty:						
Net income.....	95,638	2,290,084	95,372	2,286,879	266	3,205
Net loss.....	5,351	25,939	5,335	25,663	16	276
Estate or trust:						
Net income.....	47,689	2,725,353	47,508	2,721,327	181	4,026
Net loss.....	7,223	147,352	7,190	145,660	33	1,693
State income tax refunds.....	510,480	2,410,717	509,692	2,397,967	788	12,750
Windfall profit tax refunds.....	3	66	3	66		
Windfall profit tax withheld.....						
Alimony received.....	1,267	55,861
Social security benefits in adjusted gross income.....	166,049	1,368,698	164,961	1,360,414	1,088	8,285
Social security benefits (nontaxable).....	166,049	1,368,710	164,961	1,360,426	1,088	8,285
Unemployment compensation.....	12,059	54,346	12,053	54,334	6	12
Other income.....	208,625	6,987,175	208,321	6,980,104	304	7,070
Other loss.....	12,616	452,096	12,588	450,479	28	1,617
Foreign earned income exclusion.....	18,581	1,691,560	18,581	1,691,560		
Total income.....	1,043,213	504,178,355	1,041,263	503,878,253	1,950	300,102
Statutory adjustments, total.....	437,869	5,316,688	437,429	5,312,132	440	4,556
Payments to Individual Retirement Arrangements.....	81,848	248,071	81,791	247,926	57	145
Payments to self employed retirement (Keogh) plans.....	130,744	2,796,848	130,703	2,796,078	41	771
Adjusted gross income.....	1,043,213	498,861,667	1,041,263	498,566,121	1,950	295,546
Investment interest.....	293,960	4,998,182	293,394	4,906,578	566	91,605
Total tax preferences excluded from adjusted gross income.....	484,953	21,801,333	483,220	21,215,532	1,733	585,801
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds).....	45,371	693,765	45,187	688,834	184	4,930
Passive activity loss (alternative minimum tax adjustment).....	183,917	962,043	183,578	967,042	339	-4,999
Expanded income.....	1,043,213	516,747,411	1,041,263	515,952,196	1,950	795,215

Footnotes at end of table.

High-Income Tax Returns for 1993

Table 6.—Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, by Tax Status—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Expanded income concept—Continued						
Exemption amount.....	480,433	1,516,155	478,729	1,508,930	1,704	7,224
Itemized deductions:						
Total per adjusted gross income concept.....	984,339	64,672,078	982,627	64,237,444	1,712	434,634
Total per income concept.....	983,893	68,749,412	982,181	68,403,140	1,712	346,272
Contributions deduction.....	951,947	16,362,736	950,385	16,302,357	1,562	60,380
Interest paid deduction:						
Total per adjusted gross income concept.....	795,756	18,549,306	794,777	18,428,577	979	120,730
Total per income concept.....	721,593	13,551,124	720,846	13,521,999	747	29,125
Total home mortgage interest deduction.....	721,004	13,291,342	720,257	13,263,402	747	27,940
Medical and dental expense deduction.....	20,884	514,686	19,904	439,974	980	74,712
Net casualty or theft loss deduction.....	4,114	342,260	3,878	235,887	236	106,373
Taxes paid deduction.....	979,518	36,109,568	977,848	36,059,335	1,670	50,233
Net limited miscellaneous deductions per adjusted gross income concept.....	161,384	2,731,054	160,212	2,705,174	1,172	25,880
Non-limited miscellaneous deductions.....	28,982	346,022	28,911	343,811	71	2,211
Moving expense deduction.....	30,282	314,260	30,275	314,200	7	60
Excess of exemptions and deductions over adjusted gross income.....	2,508	234,715	654	74,087	1,854	160,628
Taxable income.....	1,040,699	432,554,182	1,040,605	432,541,299	94	12,884
Tax at regular rates.....	1,040,701	141,706,210	1,040,606	141,702,649	95	3,561
Income tax before credits.....	1,040,707	141,780,205	1,040,609	141,776,640	98	3,565
Tax credits:						
Total.....	109,378	510,481	109,280	506,916	98	3,565
Child care credit.....	49,178	26,825	49,178	26,825	-	-
Minimum tax credit.....	18,884	201,567	18,810	198,614	74	2,953
Foreign tax credit.....	-	-	-	-	-	-
General business credit.....	34,596	208,266	34,572	207,788	24	478
Alternative minimum tax (Form 6251).....	117,898	1,403,723	117,898	1,403,723	-	-
Income tax:						
Worldwide total income tax.....	1,041,263	142,927,822	1,041,263	142,927,822	-	-
Foreign taxes paid.....	239,498	1,893,491	239,498	1,893,491	-	-
Foreign taxes paid on excluded foreign earned income (Form 1116).....	10,939	254,375	10,939	254,375	-	-
Taxable income which would yield:						
Income tax before credits.....	1,040,707	415,416,943	1,040,609	415,405,027	98	11,916
Income tax after credits.....	1,040,607	414,797,921	1,040,607	414,797,921	-	-
Worldwide total income tax.....	1,041,263	418,503,379	1,041,263	418,503,379	-	-
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income.....	1,043,213	498,861,667	1,041,263	498,566,121	1,950	295,546
plus: Total tax preferences excluded from adjusted gross income ²	484,953	21,801,333	483,220	21,215,532	1,733	585,801
Social security benefits (nontaxable).....	166,049	1,368,710	164,961	1,360,426	1,088	8,285
Foreign-earned income exclusion.....	18,581	1,691,560	18,581	1,691,560	-	-
minus: Investment interest.....	293,960	4,998,182	293,394	4,906,578	566	91,605
Non-limited miscellaneous deductions.....	28,982	346,022	28,911	343,811	71	2,211
Moving expense deduction.....	30,282	314,260	30,275	314,200	7	60
Unreimbursed employee business expense.....	153,573	1,317,395	153,468	1,316,853	105	541
Equals: Expanded income.....	1,043,213	516,747,411	1,041,263	515,952,196	1,950	795,215

^{**} Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

¹ Section 179 of the Internal Revenue Code permits certain taxpayers to elect to deduct all or part of the cost of certain qualifying property in the year they place it in service, instead of taking depreciation deductions over a specified recovery period.

² Includes tax-exempt interest and tax preference items subject to alternative minimum tax.

NOTE: Detail may not add to totals because of rounding.

Table 7.--Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect

[All figures are estimates based on samples]

Item with the second largest tax effect	Total		Item with the largest tax effect									
			Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns with U.S. income tax												
Returns with adjusted gross income of \$200,000 or more												
Total.....	953,340	100.0	336,579	35.3	33,042	3.5	417,995	43.8	43,941	4.6	1,963	0.2
Interest paid deduction.....	225,804	23.7	-	-	4,243	12.8	172,472	41.3	7,636	17.4	-	-
Investment interest deduction.....	55,210	5.8	33,344	9.9	-	-	14,359	3.4	2,283	5.2	195	10.0
Taxes paid deduction.....	375,178	39.4	283,244	84.2	22,478	68.0	-	-	28,576	65.0	953	48.6
Contributions deduction.....	199,601	20.9	10,475	3.1	3,226	9.8	181,538	43.4	-	-	661	33.7
Medical and dental expense deduction.....	2,161	0.2	348	0.1	-	-	1,239	0.3	464	1.1	-	-
Net casualty or theft loss deduction.....	1,282	0.1	1,021	0.3	-	-	9	(1)	-	-	-	-
Total miscellaneous deductions.....	25,664	2.7	4,119	1.2	948	2.9	17,137	4.1	2,752	6.3	87	4.4
Foreign tax credit.....	7,249	0.8	54	(1)	205	0.6	3,895	0.9	155	0.4	16	0.8
General business credit.....	4,388	0.5	220	0.1	234	0.7	2,141	0.5	82	0.2	-	-
All other tax credits.....	6,070	0.6	405	0.1	124	0.4	2,663	0.6	372	0.8	3	0.2
Partnership and S Corporation net losses.....	25,536	2.7	3,342	1.0	1,528	4.6	17,718	4.2	1,494	3.4	48	2.4
No second largest item.....	25,198	2.6	8	(1)	56	0.2	4,823	1.2	-	-	-	-
Returns with expanded income of \$200,000 or more												
Total.....	995,366	100.0	335,633	33.7	-	-	474,048	47.6	52,370	5.3	3,165	0.3
Interest paid deduction.....	234,828	23.6	-	-	-	-	183,885	38.8	8,599	16.4	158	5.0
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	397,121	39.9	316,738	94.4	-	-	-	-	36,803	70.3	1,279	40.4
Contributions deduction.....	254,352	25.6	11,962	3.6	-	-	237,113	50.0	-	-	815	25.7
Medical and dental expense deduction.....	4,017	0.4	348	0.1	-	-	2,895	0.6	663	1.3	-	-
Net casualty or theft loss deduction.....	1,132	0.1	1,029	0.3	-	-	9	(1)	8	(1)	-	-
Total miscellaneous deductions.....	17,701	1.8	1,278	0.4	-	-	11,744	2.5	2,982	5.7	846	26.7
Foreign tax credit.....	9,188	0.9	55	(1)	-	-	5,523	1.2	200	0.4	16	0.5
General business credit.....	4,628	0.5	261	0.1	-	-	2,481	0.5	128	0.2	-	-
All other tax credits.....	6,817	0.7	438	0.1	-	-	2,982	0.6	428	0.8	3	0.1
Partnership and S Corporation net losses.....	28,739	2.9	3,516	1.0	-	-	20,155	4.3	2,351	4.5	48	1.5
No second largest item.....	36,843	3.7	8	(1)	-	-	7,261	1.5	207	0.4	-	-

Footnotes at end of table.

Table 7.--Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect--Continued

[All figures are estimates based on samples]

Item with the second largest tax effect	Total		Item with the largest tax effect									
			Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns without U.S. income tax												
Returns with adjusted gross income of \$200,000 or more												
Total.....	1,022	100.0	21	2.1	358	35.0	8	0.8	25	2.4	92	9.0
Interest paid deduction.....	272	26.6	-	-	86	24.0	-	-	7	28.0	**	**
Investment interest deduction.....	129	12.6	7	33.3	-	-	**	**	**	**	**	**
Taxes paid deduction.....	166	16.2	8	38.1	48	13.4	-	-	**	**	14	15.2
Contributions deduction.....	140	13.7	**	**	63	17.6	**	**	-	-	39	42.4
Medical and dental expense deduction.....	**	**	-	-	**	**	-	-	**	**	-	-
Net casualty or theft loss deduction.....	5	0.5	**	**	-	-	-	-	-	-	-	-
Total miscellaneous deductions.....	71	6.9	**	**	26	7.3	**	**	-	-	31	33.7
Foreign tax credit.....	**	**	**	**	**	**	-	-	-	-	-	-
General business credit.....	**	**	-	-	**	**	**	**	**	**	-	-
All other tax credits.....	9	0.9	-	-	**	**	-	-	-	-	-	-
Partnership and S Corporation net losses.....	152	14.9	**	**	123	34.4	**	**	-	-	**	**
No second largest item.....	60	5.9	-	-	**	**	-	-	-	-	**	**
Returns with expanded income of \$200,000 or more												
Total.....	2,306	100.0	138	6.0	-	-	305	13.2	191	8.3	542	23.5
Interest paid deduction.....	268	11.6	-	-	-	-	32	10.5	25	13.1	16	3.0
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	592	25.7	84	60.9	-	-	-	-	84	44.0	209	38.6
Contributions deduction.....	404	17.5	25	18.1	-	-	135	44.3	-	-	158	29.2
Medical and dental expense deduction.....	142	6.2	8	5.8	-	-	60	19.7	40	20.9	-	-
Net casualty or theft loss deduction.....	7	0.3	**	**	-	-	**	**	-	-	-	-
Total miscellaneous deductions.....	263	11.4	13	9.4	-	-	56	18.4	21	11.0	144	26.6
Foreign tax credit.....	**	**	**	**	-	-	-	-	**	**	-	-
General business credit.....	**	**	-	-	-	-	**	**	**	**	-	-
All other tax credits.....	14	0.6	**	**	-	-	-	-	**	**	-	-
Partnership and S Corporation net losses.....	79	3.4	**	**	-	-	**	**	12	6.3	**	**
No second largest item.....	528	22.9	-	-	-	-	-	-	-	-	**	**

Footnotes at end of table.

Table 7.--Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect--Continued

[All figures are estimates based on samples]

Item with the second largest tax effect	Item with the largest tax effect											
	Net casualty or theft loss deduction		Total miscellaneous deductions		Foreign tax credit		General business credit		All other tax credits		Partnership and S Corporation net losses	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns with U.S. Income tax												
Returns with adjusted gross income of \$200,000 or more												
Total.....	1,477	0.2	14,229	1.5	34,979	3.7	11,509	1.2	25,191	2.6	32,435	3.4
Interest paid deduction.....	882	59.7	2,960	20.8	14,288	40.8	5,300	46.0	14,532	57.7	3,489	10.8
Investment interest deduction.....	-	-	445	3.1	827	2.4	518	4.5	1,098	4.4	2,140	6.6
Taxes paid deduction.....	532	36.0	9,382	65.9	6,858	19.6	3,372	29.3	4,314	17.1	15,469	47.7
Contributions deduction.....	-	-	844	5.9	457	1.3	98	0.9	215	0.9	2,086	6.4
Medical and dental expense deduction.....	-	-	3	(1)	-	-	-	-	40	0.2	67	0.2
Net casualty or theft loss deduction.....	-	-	158	1.1	-	-	-	-	3	(1)	84	0.3
Total miscellaneous deductions.....	6	0.4	-	-	259	0.7	8	0.1	94	0.4	254	0.8
Foreign tax credit.....	-	-	96	0.7	-	-	591	5.1	1,063	4.2	1,173	3.6
General business credit.....	**	**	**	**	600	1.7	-	-	397	1.6	673	2.1
All other tax credits.....	-	-	5	(1)	1,272	3.6	745	6.5	-	-	481	1.5
Partnership and S Corporation net losses.....	**	**	**	**	837	2.4	59	0.5	165	0.7	-	-
No second largest item.....	-	-	**	**	9,579	27.4	819	7.1	3,270	13.0	6,520	20.1
Returns with expanded income of \$200,000 or more												
Total.....	1,634	0.2	5,466	0.5	46,971	4.7	12,627	1.3	25,751	2.6	37,701	3.8
Interest paid deduction.....	882	54.0	763	14.0	16,076	34.2	5,138	40.7	14,428	56.0	4,899	13.0
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	690	42.2	3,453	63.2	9,488	20.2	4,415	35.0	5,637	21.9	18,617	49.4
Contributions deduction.....	-	-	771	14.1	668	1.4	159	1.3	266	1.0	2,598	6.9
Medical and dental expense deduction.....	-	-	3	0.1	-	-	-	-	40	0.2	68	0.2
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	3	(1)	84	0.2
Total miscellaneous deductions.....	6	0.4	-	-	257	0.5	10	0.1	56	0.2	522	1.4
Foreign tax credit.....	-	-	106	1.9	-	-	714	5.7	1,102	4.3	1,471	3.9
General business credit.....	40	2.4	3	0.1	604	1.3	-	-	402	1.6	709	1.9
All other tax credits.....	-	-	11	0.2	1,483	3.2	748	5.9	-	-	723	1.9
Partnership and S Corporation net losses.....	16	1.0	355	6.5	1,679	3.6	388	3.1	232	0.9	-	-
No second largest item.....	-	-	-	-	16,715	35.6	1,055	8.4	3,586	13.9	8,011	21.2

Footnotes at end of table.

Table 7.—Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect—Continued

[All figures are estimates based on samples]

Item with the second largest tax effect	Item with the largest tax effect											
	Net casualty or theft loss deduction		Total miscellaneous deductions		Foreign tax credit		General business credit		All other tax credits		Partnership and S Corporation net losses	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Returns without U.S. income tax												
Returns with adjusted gross income of \$200,000 or more												
Total.....	208	20.4	68	6.7	70	6.8	6	0.6	40	3.9	126	12.3
Interest paid deduction.....	114	54.8	24	35.3	19	27.1	-	-	16	40.0	**	**
Investment interest deduction.....	6	2.9	4	5.9	**	**	**	**	5	12.5	88	69.8
Taxes paid deduction.....	58	27.9	9	13.2	**	**	**	**	9	22.5	13	10.3
Contributions deduction.....	10	4.8	**	**	3	4.3	**	**	6	15.0	7	5.6
Medical and dental expense deduction.....	**	**	**	**	-	-	-	-	-	-	**	**
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	**	**
Total miscellaneous deductions.....	**	**	-	-	**	**	-	-	-	-	7	5.6
Foreign tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-
General business credit.....	-	-	**	**	-	-	-	-	**	**	-	-
All other tax credits.....	-	-	**	**	-	-	**	**	-	-	**	**
Partnership and S Corporation net losses.....	14	6.7	4	5.9	**	**	**	**	**	**	-	-
No second largest item.....	-	-	**	**	39	55.7	-	-	-	-	-	-
Returns with expanded income of \$200,000 or more												
Total.....	222	9.6	78	3.4	402	17.4	8	0.3	46	2.0	374	16.2
Interest paid deduction.....	117	52.7	5	6.4	19	4.7	-	-	17	37.0	37	9.9
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	73	32.9	21	26.9	**	**	**	**	15	32.6	100	26.7
Contributions deduction.....	12	5.4	22	28.2	4	1.0	**	**	**	**	40	10.7
Medical and dental expense deduction.....	3	1.4	21	26.9	-	-	**	**	-	-	**	**
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	**	**
Total miscellaneous deductions.....	3	1.4	-	-	-	-	-	-	-	-	26	7.0
Foreign tax credit.....	-	-	-	-	-	-	-	-	**	**	**	**
General business credit.....	-	-	-	-	-	-	-	-	**	**	-	-
All other tax credits.....	-	-	**	**	-	-	**	**	-	-	**	**
Partnership and S Corporation net losses.....	14	6.3	**	**	3	0.7	**	**	5	10.9	-	-
No second largest item.....	-	-	**	**	372	92.5	-	-	**	**	**	**

**Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

* Less than 0.05 percent.

NOTE: Detail may not add to totals because of rounding. Total columns do not include returns with no tax effect or returns whose largest tax effect is not listed in this table (i.e., tax exempt interest).

**Table 8.—Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts:
Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect**

[All figures are estimates based on samples]

Item with the second largest tax effect	Total		Item with the largest tax effect									
			Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns with worldwide income tax												
Returns with adjusted gross income of \$200,000 or more												
Total.....	943,811	100.0	350,887	37.2	33,880	3.6	424,857	45.0	44,403	4.7	1,963	0.2
Interest paid deduction.....	215,007	22.8	-	-	4,290	12.7	174,365	41.0	7,655	17.2	-	-
Investment interest deduction.....	57,195	6.1	35,428	10.1	-	-	14,774	3.5	2,334	5.3	195	10.0
Taxes paid deduction.....	382,485	40.5	294,910	84.0	23,158	68.4	-	-	28,873	65.0	961	49.0
Contributions deduction.....	206,488	21.9	10,867	3.1	3,384	10.0	188,219	44.3	-	-	661	33.7
Medical and dental expense deduction.....	2,324	0.2	348	0.1	-	-	1,403	0.3	464	1.0	-	-
Net casualty or theft loss deduction.....	1,282	0.1	1,021	0.3	-	-	9	(1)	8	(1)	-	-
Total miscellaneous deductions.....	26,115	2.8	4,201	1.2	1,001	3.0	17,677	4.2	2,776	6.3	95	4.8
General business credit.....	3,976	0.4	220	0.1	236	0.7	2,168	0.5	82	0.2	-	-
All other tax credits.....	4,926	0.5	407	0.1	166	0.5	2,716	0.6	376	0.8	3	0.2
Partnership and S Corporation net losses.....	25,189	2.7	3,382	1.0	1,561	4.6	18,010	4.2	1,506	3.4	48	2.4
No second largest item.....	18,824	2.0	105	(1)	85	0.3	5,516	1.3	329	0.7	-	-
Returns with expanded income of \$200,000 or more												
Total.....	978,720	100.0	351,733	35.9	-	-	483,542	49.4	53,058	5.4	3,169	0.3
Interest paid deduction.....	222,688	22.8	-	-	-	-	186,125	38.5	8,656	16.3	159	5.0
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	405,222	41.4	332,185	94.4	-	-	-	-	37,209	70.1	1,287	40.6
Contributions deduction.....	264,530	27.0	12,520	3.6	-	-	247,281	51.1	-	-	815	25.7
Medical and dental expense deduction.....	4,337	0.4	349	0.1	-	-	3,214	0.7	663	1.2	-	-
Net casualty or theft loss deduction.....	1,132	0.1	1,029	0.3	-	-	9	(1)	8	(1)	-	-
Total miscellaneous deductions.....	18,122	1.9	1,280	0.4	-	-	12,373	2.6	3,010	5.7	857	27.0
General business credit.....	4,226	0.4	261	0.1	-	-	2,514	0.5	128	0.2	-	-
All other tax credits.....	5,434	0.6	440	0.1	-	-	3,041	0.6	439	0.8	3	0.1
Partnership and S Corporation net losses.....	28,107	2.9	3,564	1.0	-	-	20,940	4.3	2,367	4.5	48	1.5
No second largest item.....	24,923	2.5	106	(1)	-	-	8,045	1.7	577	1.1	-	-

Footnotes at end of table.

**Table 8.—Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts:
Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect
—Continued**

[All figures are estimates based on samples]

Item with the second largest tax effect	Total		Item with the largest tax effect									
			Interest paid deduction		Investment interest deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns without worldwide income tax												
Returns with adjusted gross income of \$200,000 or more												
Total.....	932	100.0	20	2.1	348	37.3	8	0.9	23	2.5	92	9.9
Interest paid deduction.....	248	26.6	-	-	83	23.9	-	-	-	-	-	-
Investment interest deduction.....	125	13.4	-	-	-	-	-	-	12	52.2	-	-
Taxes paid deduction.....	160	17.2	8	40.0	47	13.5	-	-	-	-	14	15.2
Contributions deduction.....	133	14.3	-	-	61	17.5	-	-	-	-	39	42.4
Medical and dental expense deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions.....	69	7.4	-	-	25	7.2	-	-	-	-	31	33.7
General business credit.....	8	0.9	-	-	-	-	-	-	-	-	-	-
All other tax credits.....	8	0.9	-	-	-	-	-	-	-	-	-	-
Partnership and S Corporation net losses.....	148	15.9	-	-	122	35.1	-	-	-	-	-	-
No second largest item.....	21	2.3	-	-	-	-	-	-	-	-	-	-
Returns with expanded income of \$200,000 or more												
Total.....	1,864	100.0	133	7.1	-	-	303	16.3	175	9.4	538	28.9
Interest paid deduction.....	242	13.0	-	-	-	-	32	10.6	22	12.6	15	2.8
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	579	31.1	82	61.7	-	-	-	-	79	45.1	209	38.8
Contributions deduction.....	394	21.1	25	18.8	-	-	133	43.9	-	-	158	29.4
Medical and dental expense deduction.....	141	7.6	-	-	-	-	60	19.8	40	22.9	-	-
Net casualty or theft loss deduction.....	-	-	-	-	-	-	-	-	-	-	-	-
Total miscellaneous deductions.....	258	13.8	12	9.0	-	-	56	18.5	20	11.4	141	26.2
General business credit.....	-	-	-	-	-	-	-	-	-	-	-	-
All other tax credits.....	10	0.5	-	-	-	-	-	-	-	-	-	-
Partnership and S Corporation net losses.....	73	3.9	5	3.8	-	-	-	-	9	5.1	-	-
No second largest item.....	156	8.4	-	-	-	-	-	-	-	-	-	-

Footnotes at end of table.

**Table 8.—Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts:
Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect
—Continued**

[All figures are estimates based on samples]

Item with the second largest tax effect	Item with the largest tax effect									
	Net casualty or theft loss deduction		Total miscellaneous deductions		General business credit		All other tax credits		Partnership and S Corporation net losses	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Returns with worldwide income tax										
Returns with adjusted gross income of \$200,000 or more										
Total.....	1,477	0.2	14,490	1.5	12,109	1.3	26,467	2.8	33,279	3.5
Interest paid deduction.....	882	59.7	3,010	20.8	5,891	48.7	15,372	58.1	3,541	10.6
Investment interest deduction.....	-	-	446	3.1	577	4.8	1,258	4.8	2,182	6.6
Taxes paid deduction.....	532	36.0	9,521	65.7	3,848	31.8	4,700	17.8	15,981	48.0
Contributions deduction.....	-	-	930	6.4	98	0.8	225	0.8	2,104	6.3
Medical and dental expense deduction.....	-	-	**	**	-	-	**	**	67	0.2
Net casualty or theft loss deduction.....	-	-	158	1.1	-	-	**	**	84	0.3
Total miscellaneous deductions.....	**	**	-	-	8	0.1	94	0.4	258	0.8
General business credit.....	**	**	**	**	-	-	556	2.1	673	2.0
All other tax credits.....	-	-	5	(1)	753	6.2	-	-	500	1.5
Partnership and S Corporation net losses.....	16	1.1	372	2.6	59	0.5	236	0.9	-	-
No second largest item.....	-	-	43	0.3	874	7.2	3,982	15.0	7,889	23.7
Returns with expanded income of \$200,000 or more										
Total.....	1,634	0.2	5,723	0.6	13,233	1.4	27,238	2.8	39,391	4.0
Interest paid deduction.....	882	54.0	763	13.3	5,733	43.3	15,270	56.1	5,100	12.9
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	690	42.2	3,610	63.1	5,007	37.8	6,049	22.2	19,186	48.7
Contributions deduction.....	-	-	856	15.0	159	1.2	276	1.0	2,623	6.7
Medical and dental expense deduction.....	-	-	3	0.1	**	**	40	0.1	68	0.2
Net casualty or theft loss deduction.....	-	-	-	-	-	-	3	(1)	84	0.2
Total miscellaneous deductions.....	6	0.4	-	-	**	**	56	0.2	530	1.3
General business credit.....	40	2.4	3	0.1	-	-	569	2.1	710	1.8
All other tax credits.....	-	-	11	0.2	756	5.7	-	-	743	1.9
Partnership and S Corporation net losses.....	16	1.0	437	7.6	428	3.2	307	1.1	-	-
No second largest item.....	-	-	40	0.7	1,139	8.6	4,668	17.1	10,347	26.3

Footnotes at end of table.

**Table 8.--Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts:
Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect
--Continued**

[All figures are estimates based on samples]

Item with the second largest tax effect	Item with the largest tax effect									
	Net casualty or theft loss deduction		Total miscellaneous deductions		General business credit		All other tax credits		Partnership and S Corporation net losses	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Returns without worldwide income tax										
Returns with adjusted gross income of \$200,000 or more										
Total.....	208	22.3	67	7.2	12,109	1.3	26,467	2.8	33,279	3.5
Interest paid deduction.....	114	54.8	23	34.3	5,891	48.7	15,372	58.1	3,541	10.6
Investment interest deduction.....	6	2.9	4	6.0	577	4.8	1,258	4.8	2,182	6.6
Taxes paid deduction.....	58	27.9	9	13.4	3,848	31.8	4,700	17.8	15,981	48.0
Contributions deduction.....	10	4.8	5	7.5	98	0.8	225	0.8	2,104	6.3
Medical and dental expense deduction.....	**	**	**	**	-	-	**	**	67	0.2
Net casualty or theft loss deduction.....	-	-	-	-	-	-	**	**	84	0.3
Total miscellaneous deductions.....	**	**	-	-	8	0.1	94	0.4	258	0.8
General business credit.....	-	-	**	**	-	-	556	2.1	673	2.0
All other tax credits.....	-	-	**	**	753	6.2	-	-	500	1.5
Partnership and S Corporation net losses.....	14	6.7	**	**	59	0.5	236	0.9	-	-
No second largest item.....	-	-	**	**	874	7.2	3,982	15.0	7,889	23.7
Returns with expanded income of \$200,000 or more										
Total.....	222	11.9	78	4.2	13,233	1.4	27,238	2.8	39,391	4.0
Interest paid deduction.....	117	52.7	5	6.4	5,733	43.3	15,270	56.1	5,100	12.9
Investment interest deduction.....	-	-	-	-	-	-	-	-	-	-
Taxes paid deduction.....	73	32.9	21	26.9	5,007	37.8	6,049	22.2	19,186	48.7
Contributions deduction.....	12	5.4	22	28.2	159	1.2	276	1.0	2,623	6.7
Medical and dental expense deduction.....	3	1.4	21	26.9	**	**	40	0.1	68	0.2
Net casualty or theft loss deduction.....	-	-	-	-	-	-	3	(¹)	84	0.2
Total miscellaneous deductions.....	3	1.4	-	-	**	**	56	0.2	530	1.3
General business credit.....	-	-	-	-	-	-	569	2.1	710	1.8
All other tax credits.....	-	-	**	**	756	5.7	-	-	743	1.9
Partnership and S Corporation net losses.....	14	6.3	**	**	428	3.2	307	1.1	-	-
No second largest item.....	-	-	**	**	1,139	8.6	4,668	17.1	10,347	26.3

**Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

¹ Less than 0.05 percent.

NOTE: Detail may not add to totals because of rounding. Total columns do not include returns with no tax effect or returns whose largest tax effect is not listed in this table (i.e., tax exempt interest).

Table 9.—Returns Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction or credit	Number of returns on which income was reduced by percentages of income								
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept											
Total itemized deductions.....	1,022	40	26	16	11	12	6	6	3	82	820
Interest paid deduction:											
Total.....	1,022	160	151	86	72	33	33	36	28	188	235
Investment interest per income concept.....	1,022	374	131	20	15	20	30	46	36	178	172
Taxes paid deduction.....	1,022	98	593	216	51	21	11	14	5	5	8
Contributions deduction.....	1,022	157	617	58	40	48	45	57	-	-	-
Medical and dental expense deduction.....	1,022	889	30	**	**	**	5	7	8	40	37
Net casualty or theft loss deduction.....	1,022	805	-	**	-	**	**	10	16	63	121
Net limited miscellaneous deductions per income concept.....	1,022	654	259	53	27	15	**	-	**	4	6
Non-limited miscellaneous deductions.....	1,022	896	48	4	4	3	**	**	**	25	35
Deduction equivalent of:											
Total credits.....	1,022	837	46	14	6	**	8	6	14	87	**
Foreign tax credit.....	1,022	932	18	**	-	**	**	-	**	65	**
General business credit.....	1,022	987	19	8	3	-	**	**	-	-	-
Tax preferences excluded from adjusted gross income.....	1,022	655	201	40	21	18	13	10	7	15	42
Expanded income concept											
Total itemized deductions.....	2,392	616	271	329	221	168	127	96	69	164	331
Interest paid deduction:											
Total.....	2,392	1,603	445	171	95	42	17	6	-	9	4
Investment interest per income concept.....	2,392	1,808	442	50	19	6	12	10	4	10	31
Taxes paid deduction.....	2,392	665	1,334	289	49	29	6	7	6	**	**
Contributions deduction.....	2,392	778	1,285	174	62	38	16	12	7	11	9
Medical and dental expense deduction.....	2,392	1,397	474	89	96	69	70	53	35	85	24
Net casualty or theft loss deduction.....	2,392	2,156	6	3	6	5	9	8	16	67	116
Net limited miscellaneous deductions per income concept.....	2,392	1,216	1,025	96	23	10	5	6	**	**	5
Non-limited miscellaneous deductions.....	2,392	2,319	64	3	**	**	-	-	-	-	**
Deduction equivalent of:											
Total credits.....	2,392	1,852	73	9	**	335	8	6	18	85	**
Foreign tax credit.....	2,392	1,950	38	**	-	332	**	-	**	59	**
General business credit.....	2,392	2,359	22	**	**	**	3	**	**	-	-
Tax preferences excluded from adjusted gross income.....	2,392	615	122	43	49	66	87	100	140	943	227

** Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

NOTE: Detail may not add to totals because of rounding.

Table 10.—Returns Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction or credit	Number of returns on which income was reduced by percentages of income								
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept											
Total itemized deductions.....	932	-	7	9	7	12	4	3	3	67	820
Interest paid deduction:											
Total.....	932	114	131	82	69	31	28	33	28	181	235
Investment interest per income concept.....	932	303	127	20	14	17	27	44	35	173	172
Taxes paid deduction.....	932	47	561	211	50	20	11	14	5	5	8
Contributions deduction.....	932	101	592	56	40	45	42	56	-	-	-
Medical and dental expense deduction.....	932	801	28	**	**	**	5	7	8	40	37
Net casualty or theft loss deduction.....	932	715	-	**	-	**	**	10	16	63	121
Net limited miscellaneous deductions per income concept.....	932	573	251	53	27	14	**	-	**	4	6
Non-limited miscellaneous deductions.....	932	809	47	3	4	**	**	**	**	25	35
Deduction equivalent of:											
Total credits.....	932	837	34	11	6	**	**	6	13	19	-
Foreign tax credit.....	932	932	-	-	-	-	-	-	-	-	-
General business credit.....	932	902	15	7	3	-	**	**	-	-	-
Tax preferences excluded from adjusted gross income.....	932	581	191	38	20	17	13	10	7	14	41
Expanded income concept											
Total itemized deductions.....	1,950	241	246	313	209	164	125	92	69	161	330
Interest paid deduction:											
Total.....	1,950	1,203	413	166	92	41	17	5	-	9	4
Investment interest per income concept.....	1,950	1,387	427	49	19	6	11	8	4	10	29
Taxes paid deduction.....	1,950	282	1,282	284	48	28	6	7	6	**	**
Contributions deduction.....	1,950	391	1,248	162	61	38	14	11	6	10	9
Medical and dental expense deduction.....	1,950	970	462	89	95	69	70	52	34	85	24
Net casualty or theft loss deduction.....	1,950	1,714	6	3	6	5	9	8	16	67	116
Net limited miscellaneous deductions per income concept.....	1,950	801	998	96	23	10	5	6	**	**	5
Non-limited miscellaneous deductions.....	1,950	1,879	63	**	**	**	-	-	-	-	**
Deduction equivalent of:											
Total credits.....	1,950	1,852	44	3	4	3	5	6	10	23	-
Foreign tax credit.....	1,950	1,950	-	-	-	-	-	-	-	-	-
General business credit.....	1,950	1,926	13	**	3	**	**	**	**	-	-
Tax preferences excluded from adjusted gross income.....	1,950	217	113	40	48	65	83	97	134	927	226

** Data deleted to avoid disclosure of information for specific taxpayers. However, deleted data are included in the appropriate totals.

NOTE: Detail may not add to totals because of rounding.

Table 11.--Returns With and Without U.S. Income Tax: Number of Returns and Percentages of Returns, by Effective Tax Rate and by Size of Income Under Alternative Concepts

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income							
			Under \$50,000 ¹		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	114,601,819	100.0	94,027,170	100.0	16,473,325	100.0	3,107,998	100.0	993,326	100.0
Returns without U.S. income tax	24,411,798	21.3	24,369,263	25.9	37,118	0.2	4,395	0.1	1,022	0.1
Returns with U.S. income tax	90,190,021	78.7	69,657,907	74.1	16,436,207	99.8	3,103,603	99.9	992,304	99.9
Effective tax rate:										
Under 5 percent.....	17,564,720	15.3	17,366,825	18.5	171,872	1.0	20,657	0.7	5,366	0.5
5 under 10 percent.....	36,127,754	31.5	32,761,685	34.8	3,310,028	20.1	49,934	1.6	6,107	0.6
10 under 15 percent.....	25,938,705	22.6	17,047,725	18.1	8,435,688	51.2	443,348	14.3	11,944	1.2
15 under 20 percent.....	8,136,989	7.1	2,369,055	2.5	4,048,591	24.6	1,657,158	53.3	62,186	6.3
20 under 25 percent.....	1,669,637	1.5	58,161	0.1	460,425	2.8	850,786	27.4	300,265	30.2
25 under 30 percent.....	503,770	0.4	29,057	(²)	3,443	(²)	74,637	2.4	396,633	39.9
30 under 35 percent.....	183,494	0.2	2,552	(²)	552	(²)	4,053	0.1	176,337	17.8
35 under 40 percent.....	45,291	(²)	10,090	(²)	1,809	(²)	1,429	(²)	31,963	3.2
40 under 45 percent.....	4,268	(²)	1,214	(²)	2,623	(²)	31	(²)	400	(²)
45 under 50 percent.....	479	(²)	12	(²)	22	(²)	397	(²)	48	(²)
50 under 60 percent.....	1,739	(²)	5	(²)	941	(²)	381	(²)	412	(²)
60 under 70 percent.....	1,571	(²)	1,252	(²)	41	(²)	3	(²)	274	(²)
70 under 80 percent.....	469	(²)	120	(²)	4	(²)	3	(²)	342	(²)
80 percent or more.....	11,135	(²)	10,155	(²)	168	(²)	786	(²)	27	(²)

Tax status, effective tax rate	Total		Size of expanded income							
			Under \$50,000 ¹		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	114,601,819	100.0	93,421,807	100.0	16,960,146	100.0	3,176,652	100.0	1,043,213	100.0
Returns without U.S. income tax	24,411,798	21.3	24,291,404	26.0	103,286	0.6	14,716	0.5	2,392	0.2
Returns with U.S. income tax	90,190,021	78.7	69,130,403	74.0	16,856,860	99.4	3,161,936	99.5	1,040,821	99.8
Effective tax rate:										
Under 5 percent.....	18,749,001	16.4	18,412,970	19.7	257,518	1.5	59,846	1.9	18,667	1.8
5 under 10 percent.....	35,602,779	31.1	31,939,130	34.2	3,563,262	21.0	81,864	2.6	18,522	1.8
10 under 15 percent.....	25,427,463	22.2	16,353,640	17.5	8,620,269	50.8	417,224	13.1	36,330	3.5
15 under 20 percent.....	8,096,906	7.1	2,311,593	2.5	3,975,281	23.4	1,732,796	54.5	77,236	7.4
20 under 25 percent.....	1,586,186	1.4	58,714	0.1	431,084	2.5	787,816	24.8	308,572	29.6
25 under 30 percent.....	488,324	0.4	26,565	(²)	2,256	(²)	74,777	2.4	384,726	36.9
30 under 35 percent.....	177,803	0.2	3,668	(²)	2,139	(²)	4,843	0.2	167,153	16.0
35 under 40 percent.....	40,287	(²)	10,079	(²)	1,440	(²)	595	(²)	28,173	2.7
40 under 45 percent.....	3,487	(²)	12	(²)	2,572	(²)	494	(²)	408	(²)
45 under 50 percent.....	421	(²)	3	(²)	17	(²)	359	(²)	42	(²)
50 under 60 percent.....	1,650	(²)	935	(²)	18	(²)	351	(²)	346	(²)
60 under 70 percent.....	2,843	(²)	1,579	(²)	947	(²)	43	(²)	274	(²)
70 under 80 percent.....	185	(²)	-	-	5	(²)	-	-	180	(²)
80 percent or more.....	12,685	(²)	11,516	(²)	51	(²)	927	(²)	191	(²)

¹ Includes returns with adjusted gross deficit or with negative expanded income.

² Less than 0.05 percent.

NOTE: Detail may not add to totals because of rounding.

Table 12.--Returns With and Without Worldwide Income Tax: Number of Returns and Percentages of Returns, by Effective Tax Rate and by Size of Income Under Alternative Concepts

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of adjusted gross income									
	Total		Under \$50,000 ¹		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns.....	114,601,819	100.0	94,027,170	100.0	16,473,325	100.0	3,107,998	100.0	993,326	100.0
Returns without worldwide income tax.....	24,394,939	21.3	24,355,079	25.9	35,433	0.2	3,494	0.1	932	0.1
Returns with worldwide income tax.....	90,206,880	78.7	69,672,091	74.1	16,437,891	99.8	3,104,504	99.9	992,394	99.9
Effective tax rate:										
Under 5 percent.....	17,501,126	15.3	17,325,780	18.4	159,169	1.0	14,210	0.5	1,967	0.2
5 under 10 percent.....	36,132,581	31.5	32,781,752	34.9	3,299,926	20.0	46,485	1.5	4,418	0.4
10 under 15 percent.....	25,954,679	22.6	17,074,111	18.2	8,436,120	51.2	434,198	14.0	10,250	1.0
15 under 20 percent.....	8,149,574	7.1	2,369,055	2.5	4,059,124	24.6	1,663,310	53.5	58,084	5.8
20 under 25 percent.....	1,680,138	1.5	58,161	0.1	466,823	2.8	856,504	27.6	298,650	30.1
25 under 30 percent.....	514,138	0.4	30,496	(²)	4,766	(²)	78,192	2.5	400,683	40.3
30 under 35 percent.....	190,939	0.2	2,552	(²)	3,034	(²)	5,055	0.2	180,299	18.2
35 under 40 percent.....	49,542	(²)	10,421	(²)	1,809	(²)	2,226	0.1	35,086	3.5
40 under 45 percent.....	6,920	(²)	1,544	(²)	3,441	(²)	497	(²)	1,438	0.1
45 under 50 percent.....	1,955	(²)	15	(²)	22	(²)	1,681	0.1	237	(²)
50 under 60 percent.....	5,733	(²)	998	(²)	2,751	(²)	1,354	(²)	631	0.1
60 under 70 percent.....	2,604	(²)	1,583	(²)	736	(²)	3	(²)	282	(²)
70 under 80 percent.....	800	(²)	451	(²)	4	(²)	3	(²)	342	(²)
80 percent or more.....	16,154	(²)	15,173	(²)	168	(²)	786	(²)	27	(²)
Tax status, effective tax rate	Size of expanded income									
	Total		Under \$50,000 ¹		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns.....	114,601,819	100.0	93,421,807	100.0	16,960,146	100.0	3,176,652	100.0	1,043,213	100.0
Returns without worldwide income tax.....	24,394,939	21.3	24,283,364	26.0	98,225	0.6	11,400	0.4	1,950	0.2
Returns with worldwide income tax.....	90,206,880	78.7	69,138,444	74.0	16,861,921	99.4	3,165,252	99.6	1,041,263	99.8
Effective tax rate:										
Under 5 percent.....	18,697,192	16.3	18,389,333	19.7	250,111	1.5	47,545	1.5	10,203	1.0
5 under 10 percent.....	35,596,220	31.1	31,945,114	34.2	3,558,083	21.0	77,724	2.4	15,298	1.5
10 under 15 percent.....	25,450,888	22.2	16,377,086	17.5	8,622,224	50.8	415,678	13.1	35,899	3.4
15 under 20 percent.....	8,114,772	7.1	2,311,593	2.5	3,984,087	23.5	1,742,702	54.9	76,390	7.3
20 under 25 percent.....	1,599,578	1.4	58,720	0.1	436,672	2.6	794,558	25.0	309,629	29.7
25 under 30 percent.....	499,625	0.4	27,672	(²)	3,218	(²)	77,219	2.4	391,517	37.5
30 under 35 percent.....	183,639	0.2	3,668	(²)	2,139	(²)	6,901	0.2	170,932	16.4
35 under 40 percent.....	42,333	(²)	10,079	(²)	1,771	(²)	750	(²)	29,733	2.9
40 under 45 percent.....	3,650	(²)	12	(²)	2,578	(²)	494	(²)	565	0.1
45 under 50 percent.....	486	(²)	3	(²)	17	(²)	359	(²)	106	(²)
50 under 60 percent.....	1,650	(²)	935	(²)	18	(²)	351	(²)	346	(²)
60 under 70 percent.....	2,843	(²)	1,579	(²)	947	(²)	43	(²)	274	(²)
70 under 80 percent.....	185	(²)	-	-	5	(²)	-	-	180	(²)
80 percent or more.....	13,819	(²)	12,650	(²)	51	(²)	927	(²)	191	(²)

¹ Includes returns with adjusted gross deficit or with negative expanded income.

² Less than 0.05 percent.

NOTE: Detail may not add to totals because of rounding.